

CONCRETE TRUCK FLEET

Lease vs. Reimburse

**Airport Access Fees
Expense Control System
New Vehicle Buying Survey**



1989 Cadillac Sedan de Ville

automotive FLEET

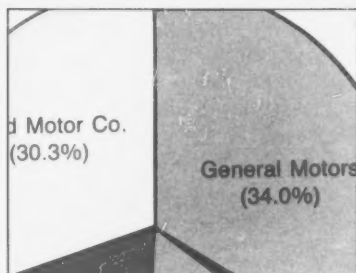
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



NOVEMBER 1988
VOL. 28, NO. 1

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

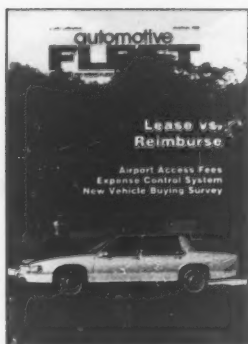
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On the cover: Dave John, national manager of fleet and leasing for Cadillac, stands behind the restyled 1989-model Sedan de Ville.

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INDUSTRY STUDY

In the 1989-model year, fleet managers will acquire 126,668 new vehicles worth \$1.6 billion. In this year's acquisition survey, managers speak out on fleet option packages and why they purchase the vehicles they do.

NAFA's 1989 New Vehicle Acquisition Survey

Fleets in the United States and Canada will purchase or lease more than 126,000 1989-model year vehicles — at a cost of more than \$1.6 billion — during the upcoming months, according to results of NAFA's most recent New Vehicle Acquisition Survey.

Of the 126,668 1989-model year vehicles being purchased or leased, fleet managers said 73 percent will be automobiles, 14 percent will be light-duty trucks, and 13 percent will be vans.

Managers said they expect to pay an average of \$12,804 for each car, \$13,346 for each light-duty truck, and \$13,352 for each van. At those costs, fleets will pay a total of \$1,640,637,394 for the 1989 vehicles they purchase.

Fleet managers already placing orders for 1989 models (more than half of respondents claim to order and take delivery of new vehicles in the fall) reported that General Motors Corp. received 34 percent of their orders, Ford Motor Co. 30.3 percent, and Chrysler Motors 18.1 percent. A little over 16 percent did not indicate make since driver selector lists were still outstanding.

Import manufacturers (Acura, American Isuzu, Honda, Hyundai, Mazda, Mitsubishi, Nissan, Subaru, and Volkswagen) combined will

Survey Respondents

Commercial Fleets Responding

Industrial Manufacturing	61
Insurance	56
Consumer Manufacturing	52
Drugs & Cosmetics	47
Chemical & Petroleum	36
Food & Beverage	34
Service Organization	28
Banking/Financial	18
Communications	14
Electronics	7
Other	16

Total Commercial Fleets

Responding 369 (77.5%)

Public Service Fleets Responding

Government	48
Public Utility	37
Law Enforcement	22

Total Public Service Fleets

Responding 107 (22.5%)

Total Fleets Responding 476 (100%)

Figure 1.

receive less than one percent of all 1989-model year fleet orders, according to responding fleet managers.

Most of the responding fleets (61 percent) do not plan any changes in their fleet size or buying/leasing policies within the next year. Of those who do plan changes, however, nine percent said they will lease vehicles they previously purchased, three percent said they will purchase vehicles they previously leased, and one percent said they will divest most of their fleet to employee ownership. Also, of those planning changes, 21 percent said they will increase the size of their fleet while five percent said they will decrease the size of their fleet.

Similarly, 92 percent of the respondents said they do not plan a

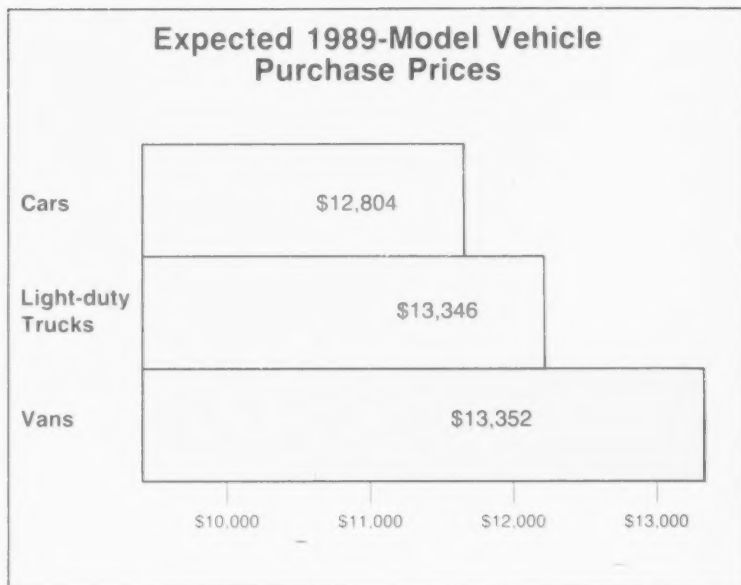
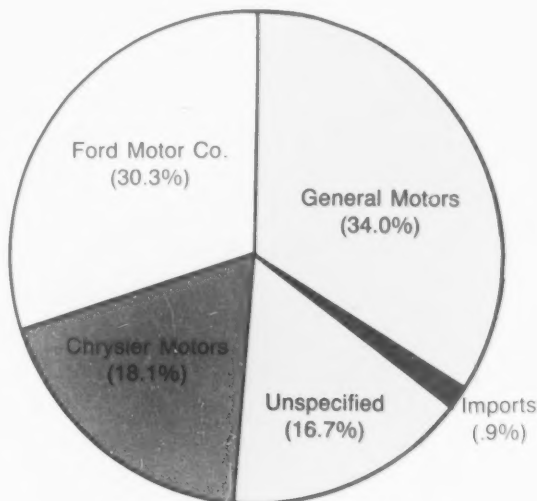


Figure 2.

Who Are Fleets Buying From?



Note: Unspecified indicates make unknown because driver selector list was still outstanding.

Figure 3.

INDUSTRY STUDY

change in the size or type of vehicles in their fleets. The most frequent response by those planning changes in either of these areas was a move from mid-size to compact units (this response however, was given by only one percent of respondents.)

Imports in Fleets

For 279 fleet managers "an unwritten, but perceived, buy North American policy" was the reason given for *not* ordering import vehicles for their fleets. Fifty-four fleet managers said they, personal-

ly, would rather buy North American vehicles for their fleets but that their company has no written or perceived "buy North American" policy. And 53 fleets, most in the public service sector, have corporate or agency written policies against buying import vehicles. Among other reasons given for not purchasing imports for fleet use were high initial cost, incompatibility for job applications, size (too small), service difficulties, high repair costs, and poor means of distribution.

For the few fleet managers pur-

chasing imports, the most often cited reason for doing so was "driver preference." Other reasons given were better quality/workmanship, lower cost, better fuel economy, higher resale value, and better overall value.

Fleet Options Packages

After all the controversy, exactly how have "mandatory" option packages affected fleet operations?

From a vehicle selection standpoint, option packages seem to have had some effect on which vehicles fleet managers use in their fleets, but

Why Fleet Managers Choose Specific Vehicles?

For the fifth consecutive year, a vehicle's initial cost is the most important factor fleet managers take into consideration when choosing vehicles for the fleet's, according to survey results.

When asked to rank several factors taken into consideration when ordering new model-year vehicles, fleet managers gave "Initial Cost," an average score of 1.722, with a score of "1" being

the highest possible ranking and "7" being the lowest possible ranking. "Economy of Operation" rated an average of 2.884; "Depreciation/Resale Value/Holding Cost" 2.926, and "Serviceability/Ease of Maintenance" 2.971. Next were "Fringe Benefit/Driver Satisfaction" at 4.175; "Company Prestige" 4.954, and "Administrative Ease" 5.362.

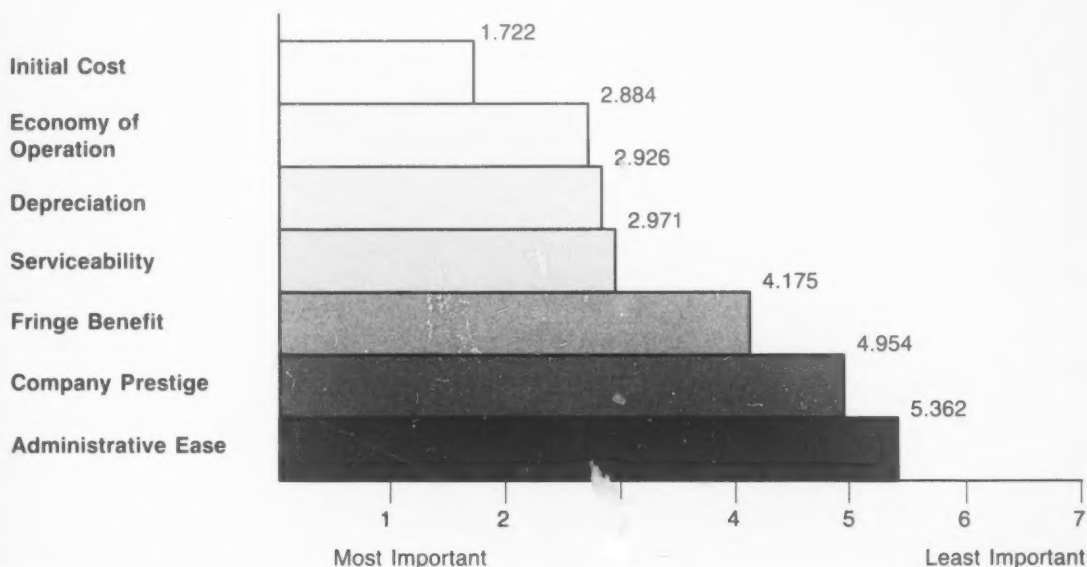


Figure 4.

not enough to completely disqualify a vehicle from their selector lists, according to results.

Sixty-eight percent of fleet managers saying option packages affected their vehicle selection said they chose the same vehicle as in the past, but with more equipment, while eight percent chose the same vehicle with less equipment. In other words, nearly three-quarters of these respondents were "brand-loyal," suggesting a strong sense of faithfulness to both the vehicle model and manufacturer. (Eighteen percent of these respondents said they chose a different model or manufacturer than in the past to get the desired optional equipment.)

From a cost standpoint, 62 percent of responding fleet managers said option packages have caused them to pay more money than in the past for optional equipment.

Options Wish List

If fleet managers could have their choice of options in a vehicle, here's what they would have, according to survey results:

- Power Brakes
- Automatic Transmission
- Dual Side Mirrors
- Power Steering
- Air Conditioning
- Tinted Glass
- All-Season Tires
- Floor Mats
- Rear Defroster
- Fuel Injection
- Pulse Wipers
- AM/FM Radio

Those options not high on fleet managers' wish lists, according to results, are cellular phone, vinyl roof, power gas cap release, mud guards, power seats, power trunk

release, optional paint, power windows, four-cylinder engine, AM/FM cassette stereo, power door locks, and split front seat.

Respondent Demographics

NAFA's 1989-Model Year New Vehicle Acquisition Survey received responses from 476 fleet managers, 414 from the United States and 62 from Canada. More than three-quarters of the responses (369) were from commercial fleets, with the remaining from public service fleets.

All told, responding fleets control 477,909 vehicles, 242,470 company-owned, and 235,439 leased. Fifty-nine percent of these vehicles are automobiles, 19 percent are light-duty trucks, 13 percent are vans, and nine percent are "other" vehicles such as heavy-duty trucks.

AF

Options by Vehicle Type/Size

If they could, here are the options fleet managers would have on specific size/type vehicles.

Compact	Mid-Size	Light-Duty Truck	Minivan
Air Conditioning	Air Conditioning	Air Conditioning	Air Conditioning
All-Season Tires	All-Season Tires	All-Season Tires	All-Season Tires
AM/FM Radio	AM/FM Radio	AM/FM Radio	AM/FM Radio
Automatic Transmission	Automatic Transmission	Automatic Transmission	Automatic Transmission
Dual Side Mirrors	Dual Side Mirrors	Dual Side Mirrors	Dual Side Mirrors
Floor Mats	Floor Mats	Floor Mats	Floor Mats
Fuel Injection	Fuel Injection	Fuel Injection	Fuel Injection
Power Brakes	Power Brakes	Power Brakes	Power Brakes
Power Steering	Power Steering	Power Steering	Power Steering
Pulse Wipers	Pulse Wipers	Pulse Wipers	Pulse Wipers
Rear Defroster	Rear Defroster	Tinted Glass	Rear Defroster
Tinted Glass	Tinted Glass	Six-Cylinder Engine	Tinted Glass
Four-Cylinder Engine	Six-Cylinder Engine	Other*	Six-Cylinder Engine
	Cruise Control		Cruise Control
	Tilt Wheel		

*(e.g., Eight-cylinder engine; heavy-duty suspension; interior light system; dual edge guards; cloth seats; instrument panel package; diesel engine, and full spare tire.)

Figure 5.

NOTE

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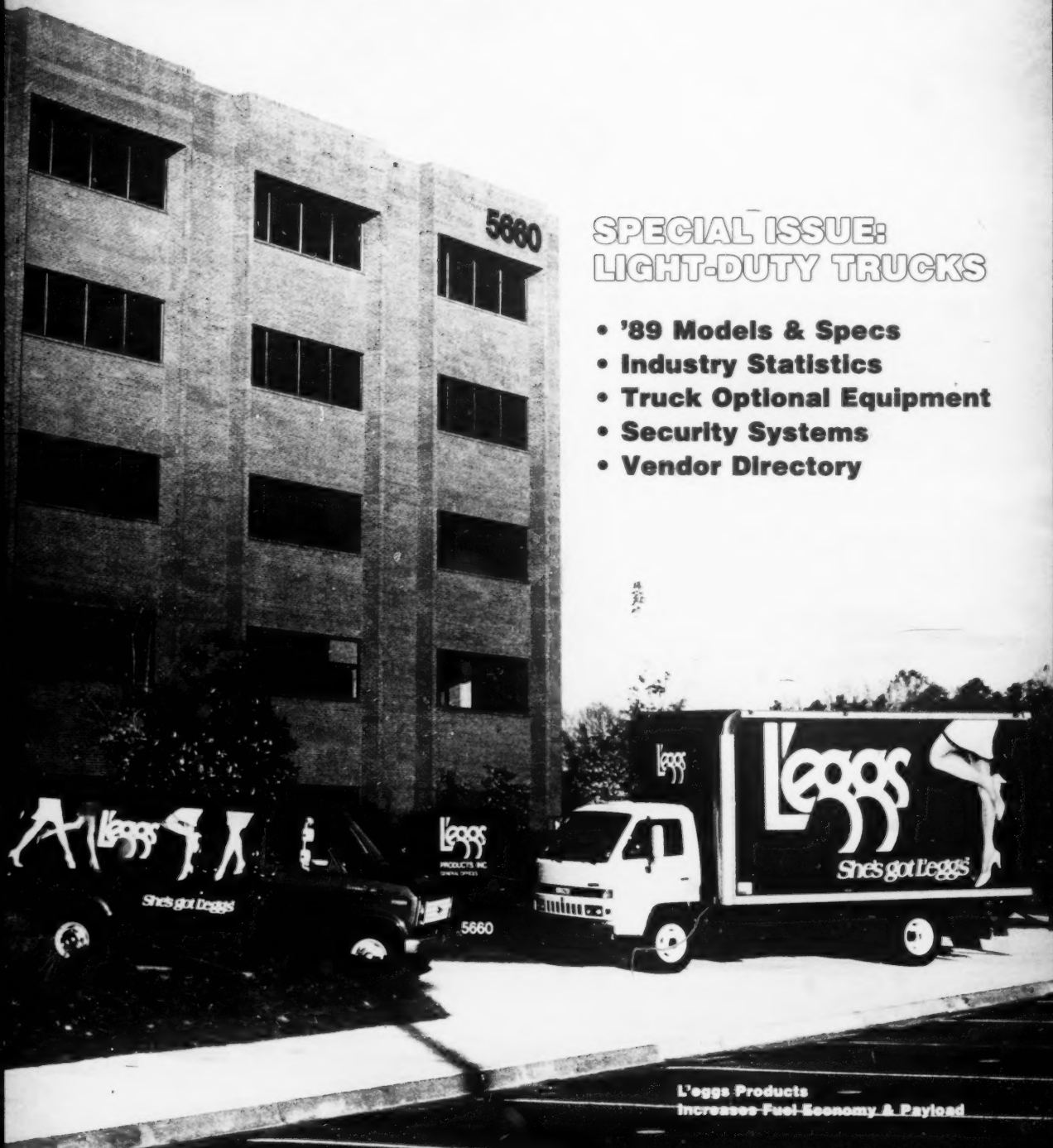
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SPECIAL ISSUE: LIGHT-DUTY TRUCKS

- '89 Models & Specs
- Industry Statistics
- Truck Optional Equipment
- Security Systems
- Vendor Directory



L'eggs Products
Increases Fuel Economy & Payload

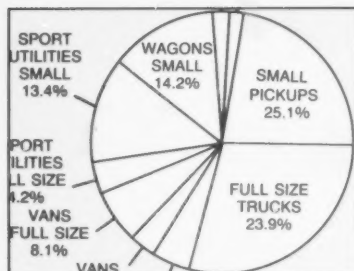
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



DECEMBER 1988
VOL. 28, NO. 2

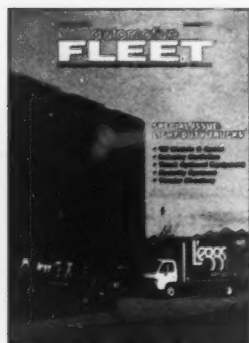
Influencing the management of
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On the cover: Two examples of L'eggs Products' new corporate-wide truck decal program.

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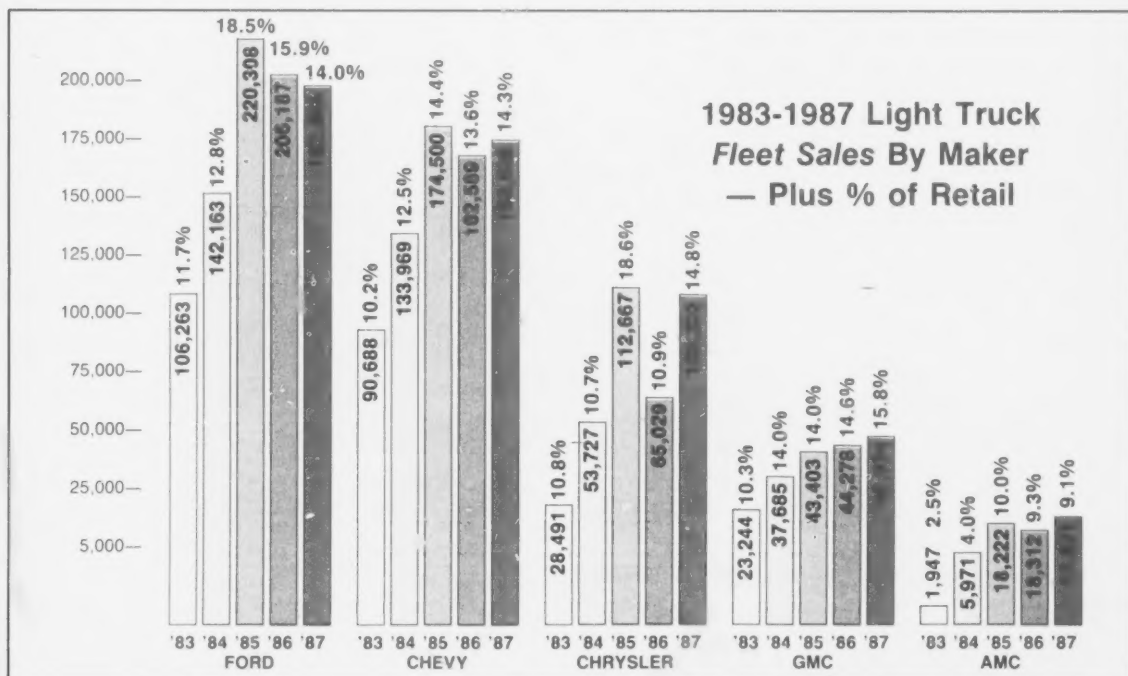
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U.S. Light Truck Statistics

New 1979 to 1987 Light Truck Registrations Reported
Class I, II & III National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1987
Total	4,065,190	2,749,051	1,926,887	2,237,843	2,799,636	3,793,798	4,391,588	4,659,261	4,422,192
Fleet	558,430	435,910	294,475	317,017	294,633	455,742	670,801	630,107	589,507
% Fleet	13.7	15.8	15.3	14.2	10.5	8.3	15.3	13.5	13.3
CHEVY	1,832,454	1,114,847	619,997	726,358	891,125	1,072,231	1,209,012	1,198,856	1,145,472
	156,170	117,983	94,289	97,514	90,688	133,969	174,500	162,589	163,726
	8.52	10.58	15.2	13.4	10.2	12.5	14.4	13.6	14.3
FORD	1,185,000	795,000	648,804	689,941	905,846	1,111,832	1,189,053	1,296,181	1,376,037
	284,000	206,700	116,979	101,471	106,263	142,163	220,308	206,187	192,884
	24.00	26.00	18.00	14.7	11.7	12.8	18.5	15.9	14.0
GMC	236,750	141,744	128,615	186,257	224,718	268,858	309,125	304,133	296,435
	30,591	23,498	21,531	23,772	23,244	37,685	43,403	44,278	46,934
	12.92	16.57	16.7	12.8	10.3	14.0	14.0	14.6	15.8
DODGE & PLYMOUTH	400,945	347,138	181,308	228,232	263,687	503,967	606,388	596,159	697,773
	48,794	52,731	29,930	29,078	28,491	53,727	112,677	65,029	103,332
	12.16	15.90	16.50	12.7	10.8	10.7	18.6	10.9	14.8
JEEP	140,431	77,852	58,257	62,097	76,453	148,040	181,939	195,973	203,625
	20,875	11,498	3,246	3,816	1,947	5,971	18,222	18,312	18,621
	14.86	14.76	5.60	6.1	2.5	4.0	10.0	9.3	9.1
OTHER Inc. VW, Imports, etc.	258,017	294,529	317,250	344,958	437,797	687,074	784,013	1,008,693	702,850
	18,000	23,500	28,500	34,500	44,000	75,500	100,500	133,712	64,010
	7.0	8.0	9.0	10.0	10.0	11.0	13.2	13.0	9.1

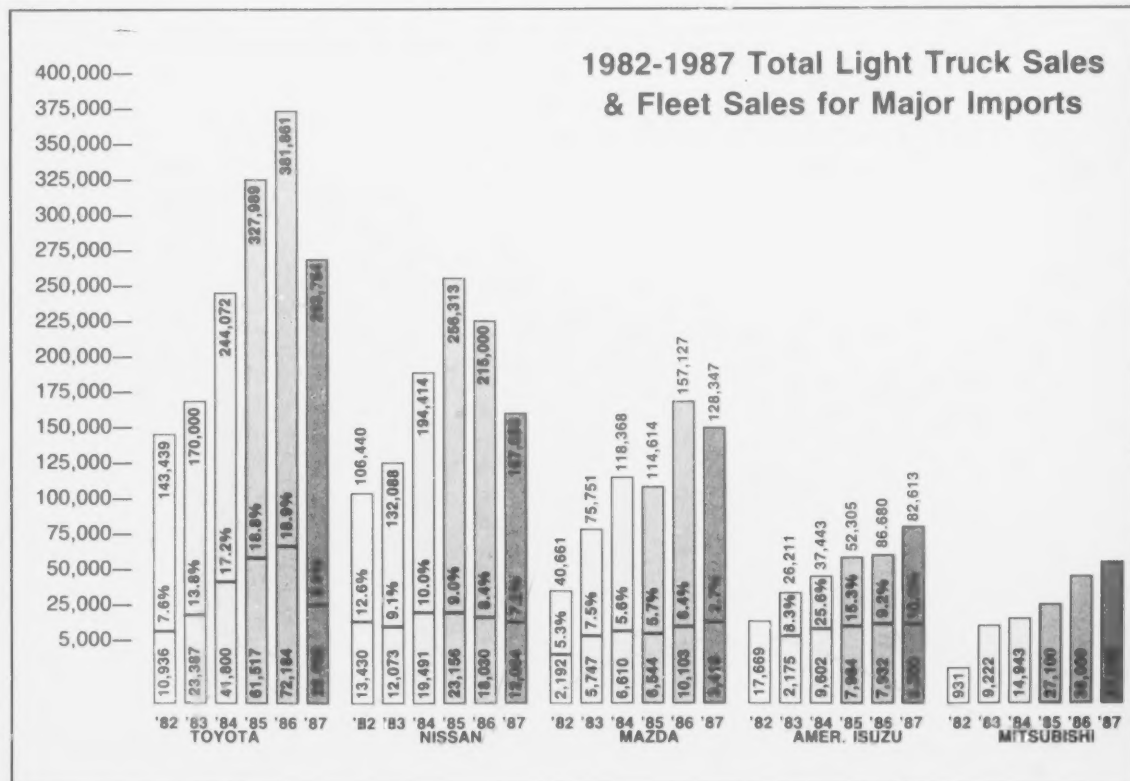


Import Light Truck Market Statistics

New 1979 to 1987 Light Truck Sales/Registrations Reported
Class I, II & III National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1987
TOYOTA									
Total	130,648	131,648	130,379	143,439	170,000	244,072	327,989	381,861	263,754
Fleet	4,620	14,624	9,413	10,936	23,387	41,360	61,517	72,184	26,008
% Fleet	3.53	11.1	7.2	7.6	13.8	17.2	18.8	18.9	9.9
NISSAN									
Total	104,866	113,242	119,684	106,440	132,088	194,414	256,313	215,000	167,058
Fleet	6,046	8,045	6,184	13,430	12,073	19,491	23,156	18,030	12,064
% Fleet	5.76	7.10	5.50	12.6	9.1	10.0	9.0	8.4	7.2
MAZDA									
Total	8,302	8,775	16,798	40,661	75,751	118,368	114,614	157,127	128,347
Fleet				2,192	5,747	6,610	6,544	10,103	3,416
% Fleet				5.3	7.5	5.6	5.7	6.4	2.7
AMERICAN ISUZU									
Total			9,959	17,669	26,211	37,443	52,305	86,680	82,613
Fleet					2,175	9,602	7,984	7,932	8,300
% Fleet					8.3	25.6	15.3	9.2	10.0
MITSUBISHI									
Total				931	9,222	14,943	27,100	34,985	51,862
Fleet									
% Fleet									
IVECO									
Total				1,669	1,679	2,106	1,948	1,411	2,512
Fleet									
% Fleet									
ISUZU TRUCK (Class III)									
Total							2,526	5,008	5,109
Fleet									
% Fleet									
MITSUBISHI FUSO									
Total									
Fleet									
% Fleet									



Light Truck/Van Sales Statistics

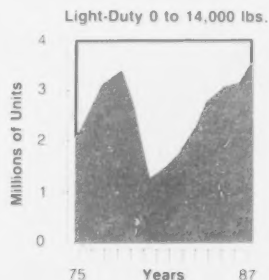
RETAIL SALES OF NEW TRUCKS BY FRANCHISED DEALERS

Gross Vehicle Weight	1982	1983	1984	1985	1986	1987
0-6000 lbs.						
Utility						
Domestic	50,735	253,823	369,883	428,656	382,231	382,966
Import	-	-	-	-	4,768	19,539
Car-Type Pickup	25,305	26,170	25,699	24,420	24,050	15,448
Compact Pickup						
Domestic	359,177	433,167	560,378	625,358	678,585	795,110
Import	95,277	55,143	52,894	70,317	78,706	65,593
Van	74,546	67,299	121,374	114,919	112,429	101,321
Mini Van	-	18	23,727	103,237	110,072	88,924
Conventional Pickup						
(Incl. extended & crew cabs)	485,977	445,370	632,401	644,367	582,140	565,758
Station Wagon (Truck Chassis)	-	8,394	61,623	85,591	97,655	108,453
Mini Passenger Carrier	-	8,174	168,774	300,963	459,721	546,106
Passenger Carrier	10,608	16,364	14,250	10,623	10,771	6,909
Total	1,101,625	1,313,922	2,031,003	2,408,451	2,541,128	2,696,127
6,001-10,000 lbs.						
Utility	76,457	84,493	103,258	107,790	100,880	91,243
Van	207,466	311,207	264,997	261,050	261,194	253,823
Van Cutaway Chassis	30,951	45,228	54,954	56,122	51,085	55,954
Conventional Pickup						
(Incl. extended & crew cabs)	484,909	573,918	572,595	628,265	582,293	569,278
Station Wagon (Truck Chassis)	54,517	68,844	86,056	94,603	98,461	91,125
Passenger Carrier	74,992	76,985	84,838	86,765	76,052	66,252
Multi-Stop	31,771	45,924	57,540	45,620	43,699	47,405
Total	961,063	1,206,599	1,224,238	1,280,215	1,213,664	1,175,080
10,001-14,000 lbs.	1,062	145	6,019	10,854	11,558	14,007

U.S. TRUCK AND BUS FACTORY SALES BY BODY TYPE

	1981	1982	1983	1984	1985	1986	1987
Under 10,000 G.V.W.							
Pickup	933,809	1,141,050	1,278,099	1,494,770	1,461,914	1,579,563	1,800,022
Compact or Passenger Car Type	137,766	445,082	500,827	511,558	575,253	650,366	753,451
Conventional	796,043	695,968	777,272	983,212	886,661	929,195	1,046,571
Multi-Stop	28,637	32,036	47,465	62,984	44,898	46,149	49,053
Van	177,497	192,681	284,607	343,841	401,089	407,215	419,098
Station Wagon (on Truck Chassis)	65,895	88,418	117,931	214,289	240,806	240,141	271,231
Passenger Carrier	37,227	47,066	44,135	54,991	153,741	317,637	440,181
General Utility	136,810	153,230	396,718	507,431	550,997	439,786	458,333
Other	65,528	67,066	50,938	90,969	192,565	97,655	90,442
Total Under 10,000 lbs. G.V.W.	1,445,403	1,721,547	2,219,893	2,769,275	3,045,990	3,128,146	3,528,360

ANNUAL TRUCK FACTORY SALES BY GROSS VEHICLE WEIGHT



U.S. RETAIL SALES OF TRUCKS

LIGHT-DUTY 0-14,000 lbs.

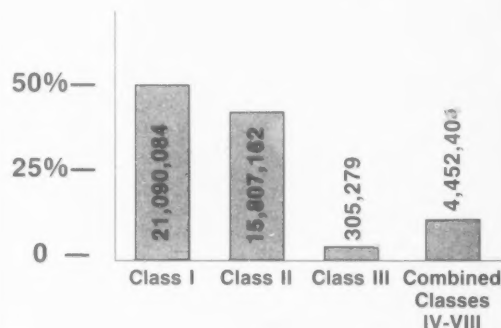


U.S. Factory Sales of Diesel Trucks By Gross Vehicle Weight, Pounds

	6,000 & Less	6,001- 10,000	10,001- 14,000	Total Class I, II & III
TOTAL				
1997	12,014	94,397	—	106,411
1986	11,370	107,385	—	118,755
1985	15,447	132,871	5,870	154,188
1984	17,329	128,925	—	148,254
1983	26,355	93,453	—	119,808
1982	47,973	74,929	—	122,902
1981	52,487	20,862	—	73,349
1980	72,501	4,973	—	77,474

Source: Motor Vehicle Manufacturers Assn. (MVMA)

U.S. Factory Truck Sales By GVW as Combined For Years 1972-1987



Note: Classes I, II & III combined account for 89.3% for this period.

Source: Automotive Fleet Research Dept.

Characteristics of Truck Owned (In Thousands)

Characteristic	Total Trucks		10,000 Or Less Lbs. GVW
	Number	Percent	
MAJOR USE			
Agriculture	4,248.8	16.2%	3,269.8
Forestry	217.5	0.8	111.8
Mining	139.0	0.5	70.2
Construction	1,764.9	6.7	1,237.9
Manufacturing	368.5	1.4	174.4
Wholesale and Retail Trade	2,007.9	7.7	1,252.2
For Hire (1)	653.8	2.5	104.0
Personal Transportation	14,260.6	54.4	14,108.1
Utilities	481.2	1.8	361.8
Services	1,641.3	6.3	1,371.4
All Other (2)	429.6	1.6	333.3
BODY TYPE			
Pickup, Panel, Multi Stop, or Walk-in	22,151.0	84.5%	21,714.9
Platform (3)	1,278.2	4.9	269.4
Platform With Added Device	333.1	1.3	66.3
Cattlerack	168.0	0.6	50.6
Insulated Nonrefrigerated Van	58.0	0.2	2.9
Insulated Refrigerated Van	150.5	0.6	6.1
Furniture Van	117.6	0.5	16.8
Open Top Van	30.0	0.1	2.2
All Other Vans	531.3	2.0	15.7
Beverage Truck	67.9	0.3	6
Utility Truck	200.7	0.8	106.6
Garbage and Refuse Collector	50.7	0.2	1.2
Winch or Crane	92.9	0.4	23.3
Wrecker	101.2	0.4	68.6
Pole and Logging	60.0	0.2	2.0
Auto Transport	15.1	0.1	9
Dump Truck	452.0	1.7	31.8
Tank Truck for Liquids	236.9	0.9	7.0
Tank Truck for Dry Bulk	34.8	0.1	—
Concrete Mixer	56.0	0.2	—
All Other (4)	27.1	0.1	8.0
ANNUAL MILES			
Less Than 5,000 Miles	6,279.7	24.0%	5,083.7
5,000 to 9,999 Miles	6,297.9	24.0	5,616.6
10,000 to 19,999 Miles	9,690.6	37.0	8,851.2
20,000 to 29,000 Miles	2,407.7	9.2	2,045.4
30,000 to 49,999 Miles	980.1	3.7	677.1
50,000 to 74,999 Miles	291.5	1.1	92.8
75,000 Miles or More	265.7	1.0	28.1
ACQUISITION			
Purchased New	12,482.7	47.6	10,490.1
Purchased Used	13,113.2	50.0	11,416.6
Leased and Not Reported (5)	617.3	2.4	488.3
TOTAL TRUCKS	26,213.4	—	22,395.1
TOTAL PERCENT	—	100.0%	85.4

(1) For-Hire includes for hire and daily rental

(2) All Other includes other not in use and not reported.

(3) Platform includes low boy with depressed center and other platform.

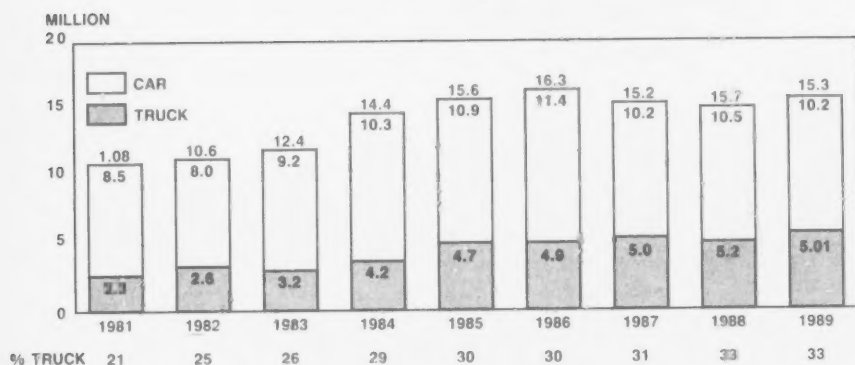
(4) All Other includes other and not reported, boat transport and mobile home puller.

(5) Leased from someone else and not reported were added together.

SOURCE: U.S. Bureau of the Census. 1977 Census of Transportation, Truck Inventory and Use Survey.

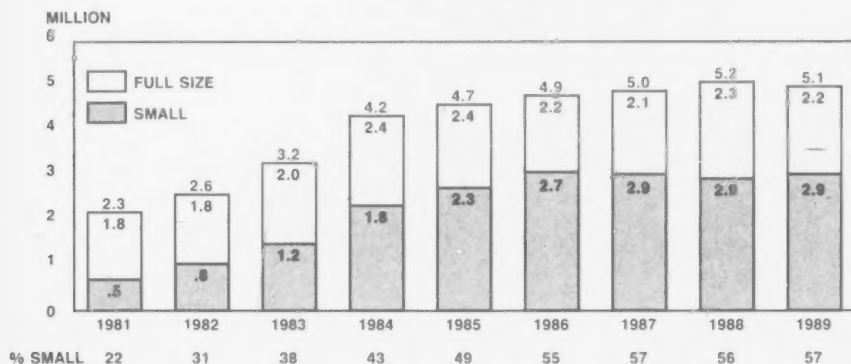
U.S. Light Truck Statistics

Total Industry Sales 1981-1987 CY & Projected



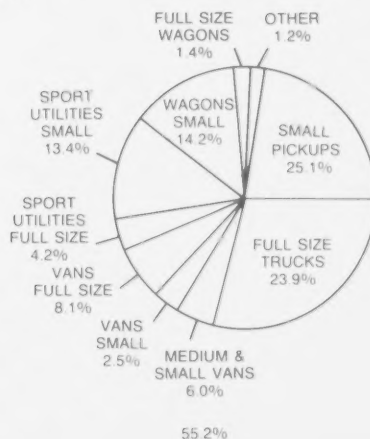
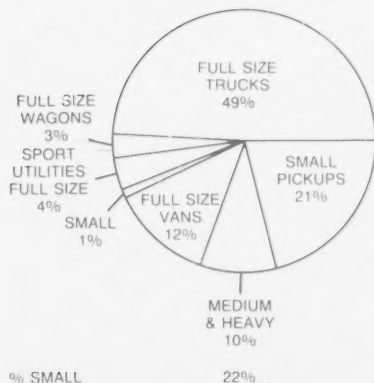
Trucks have been on the increase since 1981—going from 2.3 million and only 21% of the industry to the all-time record of 5.2 million and 33% of the industry in 1988.

Truck Industry Sales 1981-1987 CY & Projected



In 1981, only 500,000 small trucks were sold for 22% of the market. In contrast, 1988 will see 2.9 million small trucks sold for 56% of the market. These 2.9 million small trucks were more than the entire truck market in both 1982 and 1983. In 1989, look for small truck sales to hold strong with the new entries of small "wagons." Full-size trucks haven't disappeared. Sales climbed from 1.8 million in 1981 to 2.2 million in 1988.

1981 CY Truck Market 1987 CY Total Registrations



STATISTICS

Top 33 Commercial Light-Truck & Van Fleets With Over 2,000 Units

— Only Classes I, II & III Combined —

'86	'87	Firm	Contact	# of Lt. Trucks & Vans	'86	'87	Firm	Contact	# of Lt. Trucks & Vans
1	1	Federal Express Memphis, TN	Dave Becker	18,203	18	19	Exxon Houston, TX	John Dewees	2,800
2	2	Sears Roebuck Chicago, IL	William H. Jones III	13,800	19	20	Westinghouse Pittsburgh, PA	Lou Dobak	2,789
3	3	Frito-Lay, Inc. Dallas, TX	Gorman Green Charles Loveless	12,500	20	30	Honeywell Minneapolis, MN	Connie Wesley	2,761
4	4	Continental Baking St. Louis, MO	Paul J. Walsh	8,744	21	23	Canteen Chicago, IL	Mark Klein	2,638
5	6	ARA Philadelphia, PA	Ralph Janic	5,563	22	22	Burlington Northern St. Paul, MN	John Long	2,600
6	9	Service America Corp. Stamford, CT	Wilbur Wachter	5,350	23	7	CSX Transportation Inc. Jacksonville, FL	C.R. Onesty	2,500
7	5	Xerox Corporation Rochester, NY	Ron Pink	4,461	24	17	Tenneco Houston, TX	J.R. Gudelman	2,400
8	12	Purolator Basking Ridge, NJ	Jack Neusch	4,410	25	—	PPG Industries Pittsburgh, PA	Vic Pelletier	2,300
9	11	Interstate Brands Kansas City, MO	David Wiseman	4,111	26	25	American Bakeries Charlotte, NC	Jerry Green	2,272
10	10	Union Pacific Omaha, NE	Tom Oliveri	4,074	27	29	Johnson Controls Milwaukee, WI	Bob Borchert	2,240
11	28	GE Appliance Louisville, KY	Phil Schelling	3,700	28	32	Cox Atlanta, GA	Patsy Brownson	2,206
12	14	Shell Houston, TX	Eunice Stigall	3,567	29	30	Marathon Oil Houston, TX	Lois A. Smith	2,120
13	15	Rollins Atlanta, GA	Dave Leedy	3,350	30	—	Borg Warner Chicago, IL	Phyllis Howard	2,100
14	16	Goodyear Akron, OH	A.P. Spencer	3,295	31	—	Dow Chemical Midland, MI	Tom Madden Sue Soper	2,059
15	18	Amoco Chicago, IL	Dick Lynch	2,900	32	31	USX Corp. Pittsburgh, PA	R.D. Gainar	2,046
16	24	Ashland Oil Ashland, KY	Arthur S. Emmons	2,900	33	—	Phillip Morris New York, NY	Greg Tarring Janice Groek	2,000
17	26	Phillips Petroleum Bartlesville, OK	James I. Grillot	2,808	Source: Automotive Fleet Research Department				Total: 141,567

NOTE: United Parcel Svc., Inc., Greenwich, CT; Penske Truck Leasing, Parsippany, NJ; and Ryder Truck Rental, Miami, FL may qualify but breakdown of light trucks not available.

NOTE

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automotive **FLEET**[®]

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Jim Rogers, president
GE Capital Fleet Services

EXCLUSIVE REPORTS

**GE One Year Later
AT&T/USFL Joint Venture
Survey: Leasing Trends**

**Retail Leasing's Resurgence
NHTSA's Odometer Regs
Toyota/U-Haul Agreement**

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



JANUARY 1989
VOL. 28, NO. 3

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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President Jim Rogers talks about fleet
management. Our interview begins on page
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LEASE TRENDS

The new biennial Automotive Fleet survey of companies leasing a combined 175,000 vehicles shows unexpected replacement policies and a movement to larger cars. Additionally, some lessors want regulation while others don't.

New Biennial Survey Shows Lease Changes

Fleet managers are leasing larger cars, keeping them a longer time, but operating them fewer miles each year, according to the latest biennial survey of leasing companies conducted by *Automotive Fleet*.

The survey also indicated a move toward smaller trucks with leasing company respondents reporting 88 percent of the trucks in the under 10,000 GVW class compared with 56 percent in this category two years ago.

Respondents also took aim at factory programs, lack of industry edu-

cation, and unfair or misleading leasing tactics in remarks appended to survey forms. Some representative comments:

—"Special, hard-to-understand plans originated by manufacturers which disrupt a normal merchandise pattern for leasing companies and dealers," said one. "Why don't manufacturers just lower price?"

—"We have to educate everyone on what leasing is and, more importantly, what it can be. I would like to see a regulating body to ensure proper practices for the health of the industry, and ultimately the cus-

tomers we serve."

—"Consumer leasing is being done in a way which will hurt both dealer and customer in the long run, leading to new and undesirable legislation which will hurt our industry."

—"Unfair competition coming from manufacturers, outside financial institutions and banks."

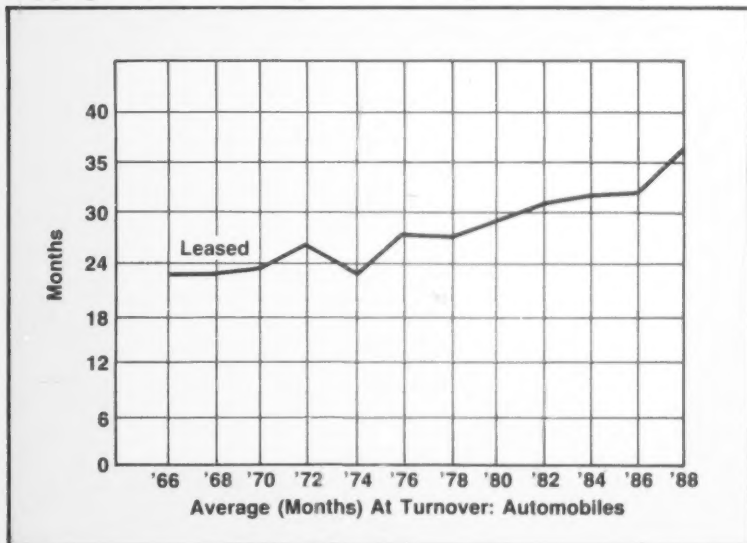
—"Lack of tax legislation which would allow the commercial client to either lease or purchase and have a tax incentive."

Larger Cars

Respondents reported 52 percent of the cars leased in the intermediate size, compared with 43 percent two years ago. The latest report is nearly even with the 51 percent in that category reported in 1984. (See the full page chart on page 30.)

Lessees increased use of compacts, with 18 percent of cars leased in that class in 1988 compared with 12 percent two years previous. Acceptance of subcompacts appears to be plunging as 1988 respondents reported only three percent of vehicles they leased were in that category.

The category of standard-sized car was split into low-priced and middle-priced for the 1988 survey, and respondents said four percent of



LEASE TRENDS

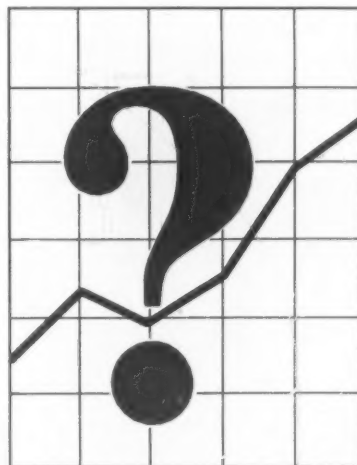
their leases were in the low-priced category and 16 percent in the mid-price range. The 20 percent of standard-sized cars leased compares with 25 percent leased in this category two years ago.

Luxury car leases were slightly off two years ago, following a survey trend for the past few years. In 1988, survey respondents reported seven percent of their business in this class, compared with eight percent in 1986 and nine percent in 1984.

Leased cars are staying on the job longer, the survey indicates.

Automobile lessors which responded to the 1988 survey said they have been keeping cars 35.7 months vs. 32 months in the 1986 survey. The trend toward keeping cars in service longer has been a long established one in the survey. The time reported has increased each two-year period since 1966 with the exception of 1986 and then the decrease was very small.

Survey figures back in 1966 showed fleet lessors kept cars an average of 22.9 months compared



with the 35.7 months in the latest survey, 22 years later.

The longest period reported in 1988 was 48 months and the shortest 18 months.

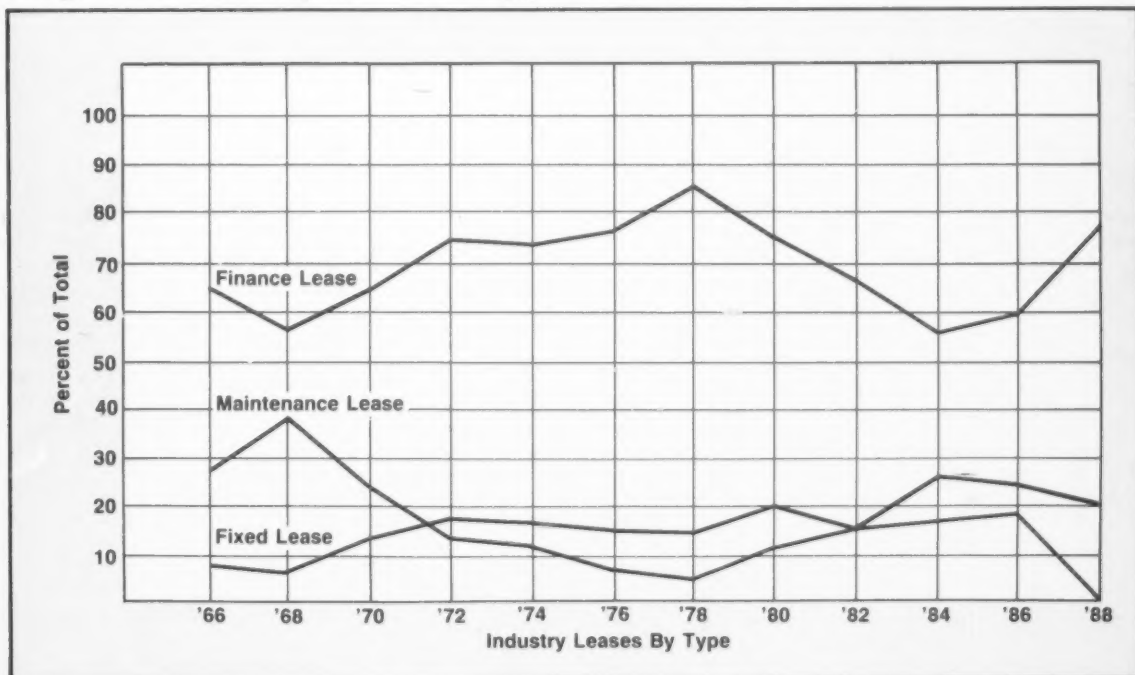
While kept longer, cars are driven fewer miles each year than reported in previous years. The new survey shows cars were driven 18,534 miles a year on average compared with 20,063 two years ago. The annual mileage peaked in this decade,

in 1984 at 20,579. That compares with the high of 22,761 reported 22 years ago, in 1966.

Most of the cars were leased to fleets, 84 percent in 1988 vs. 81 percent two years earlier. Individual leases accounted for 16 percent in 1988, the lowest reported in the past 20 years.

The type of lease reported by survey respondents has changed dramatically over the 1986 survey. This year, 77 percent said they used finance or management leasing, 22 percent reported fixed or net leasing, and one percent full or partial maintenance leasing. Financed and management leasing has gained considerably at the expense of maintenance leasing, survey respondents appear to be saying. There is little change in the net lease response over two years ago.

The one area of little surprise was the average cost per car: \$14,350 vs. \$12,380 two years ago, and the second consecutive survey which showed an average increase of nearly \$2,000 over the previous poll.



LEASE TRENDS

	1978	1976	1974	1972	1970	1978	1976	1974	1972	1970	1968	1966
Survey Return - In Percent	14.4	8.9	12.9	7.8	14.9	15.0	15.0	13.0	11.0	10.0	10.5	14.3
Is Company A New Car Dealer Affiliate?												
Yes - Percent	28.0	32.0	26.1	29.1	34.9	41.7	40.7	38.0	39.0	39.0	38.0	45.0
No - Percent	72.0	68.0	73.9	68.9	65.1	58.3	59.3	62.0	61.0	61.0	62.0	55.0
Average Age of Vehicles at Replacement												
Cars - (Months)	35.7	32.0	32.1	30.7	28.5	26.9	25.9	24.3	25.2	23.7	23.3	22.9
Trucks - (Months)	41.6	39.0	40.2	39.3	39.3	37.6	37.5	38.2	41.5	42.5	41.1	N/A
Average Yearly Mileage Operated per Vehicle												
Cars - (Miles)	18,534	20,063	20,579	19,250	20,115	19,870	21,563	20,904	22,244	22,170	21,698	22,761
Trucks - (Months)	21,972	25,097	29,535	30,762	32,159	31,335	32,489	30,484	37,159	36,853	27,717	N/A
Type of Car (Percent in each category)												
Subcompacts	3.0	12.0	7.0	14.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Compacts	18.0	12.0	10.0	23.0	12.0	13.0	13.0	16.0	8.0	5.0	3.0	8.0
Intermediate	52.0	43.0	51.0	32.0	42.0	36.0	44.0	38.0	16.0	11.0	9.0	9.0
Standard - Low Priced	4.0	25.0	23.0	20.0	32.0	29.0	21.0	33.0	39.0	36.0	31.0	21.0
Standard - Middle Priced	16.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Luxury	7.0	8.0	9.0	11.0	5.0	10.0	8.0	8.0	9.0	10.0	28.0	11.0
Percentage of Cars Leased:												
To Fleets	84.0	81.0	82.0	74.0	83.0	80.0	82.0	79.0	78.0	74.0	82.0	83.0
To Individuals	16.0	19.0	18.0	26.0	17.0	20.0	18.0	21.0	22.0	26.0	18.0	17.0
Total Number of Cars in Survey	126,166	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Type of Lease												
Finance or Management Leasing - Percent	77.0	59.0	58.0	69.0	73.0	82.0	75.0	72.0	76.0	62.0	56.0	62.0
Fixed (Net) Leasing - Percent	22.0	23.0	27.0	15.0	17.0	13.0	15.0	15.0	13.0	12.0	8.0	8.0
Full or Partial Maintenance - Percent	1.0	18.0	15.0	16.0	10.0	5.0	10.0	13.0	11.0	26.0	36.0	30.0
Average Dollar Value per Car	\$14,350	\$12,380	\$10,467	\$9,500	\$7,461	\$6,343	\$5,392	\$5,203	\$3,987	\$3,510	\$3,221	\$2,931
Total Trucks Leased												
Under 10,000 GVW - Percent	88.0	56.0	68.0	56.0	57.0	64.0	77.0	48.0	N/A	N/A	N/A	N/A
Under 19,500 GVW - Percent	7.0	9.0	18.0	21.0	17.0	22.0	12.0	22.0	68.0	54.0	N/A	N/A
Over 19,500 GVW - Percent	5.0	35.0	14.0	23.0	26.0	14.0	11.0	30.0	32.0	46.0	N/A	N/A
Total Number of Trucks in Survey	48,214	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Dollar Value per truck	\$17,433	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

LEASE TRENDS

The survey respondents reported a total of 126,166 cars under lease. They also were less representative of new car dealerships than before, with 72 percent not affiliated with a dealership.

Of the 48,214 leased trucks involved in the 1988 survey, the average cost was \$17,433.

Trucks, like cars, are being driven fewer miles per year and kept longer. The respondents said the average truck was operated 21,972 miles compared with 25,097 in the 1986 survey and was replaced after 41.6 months compared with 39 months in 1986.

Leased truck mileage has been on the downward trend since 1976 with one deviation, in 1980.

The length of time a truck is kept in service has been hovering around 39 and 40 months all of this decade, survey figures show.

While most trucks are in the under 10,000 GVW category, respondents said seven percent of leased trucks were in the under 19,500 GVW class and five percent in the over 19,500 GVW, deviating from past truck size mixes in the survey.

The automobile mileage trend has been holding near the 20,000 miles per year line for the past 20 years while truck mileage has been moving toward 20,000 from the historic high of almost 40,000 miles per year.

AP

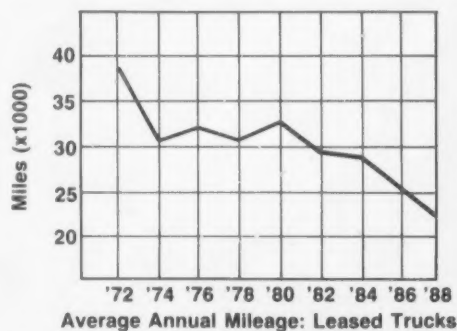
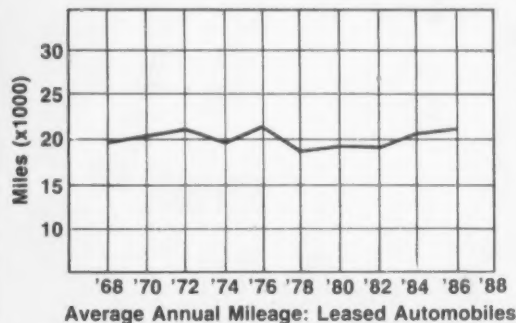
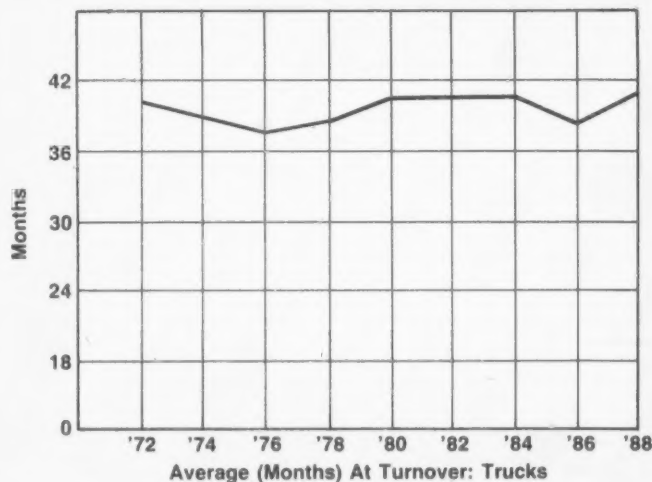
Survey Methodology

Unlike previous years, the 1988 survey was conducted only of leasing companies and did not include rental companies. Care was taken to ensure that multiple responses from individual companies were minimized.

There were 500 questionnaires mailed out and usable responses came from 14.4 percent of those, or 72 lessors. This compares with

a survey response of 8.9 percent in 1986 on a survey of 4,000 leasing and rental companies. Statisticians generally agree a response of five percent or more to a direct mail survey is excellent.

The companies which responded varied in size from those handling a few vehicles a year to those with many thousands in their lease fleet.



CONSUMER LEASING

After several lackluster years, the retail leasing market is experiencing a resurgence, as improving lease services, low initial costs, and lower monthly payments are attracting consumers in growing numbers.

The Resurgence of Retail Leasing

Two years ago, the number of retail auto leases written by GMAC, Ford Motor Credit, and Chrysler Credit had plummeted to the lowest point of the 1980s, following more than five years of steady growth. At that time, retail incentives and the growing popularity of long-term financing had slowed the expansion of retail lease portfolios of the financial arms for the Big Three automakers.

The current state-of-the-market has begun to improve, though not to the point it was in 1985. Many indications show that affordable prices are attracting more and more consumers to retail leasing. Of the estimated 10.27 million new-car sales in 1987, 16 percent, or 1.715 million units, were leased. That 16 percent was divided into approximately nine percent fleet leasing and seven percent retail leasing.

During the last two to three years, there has been a tremendous build-up of competition in retail leasing. Numerous mergers and acquisitions have made the surviving leasing entities much stronger. According to Bill Nerenberg, executive director of the National Vehicle Leasing Association, more and more automobile dealers are beginning to pay closer attention to lease services. "What that shows is that the industry itself is on a maturation cycle,"



The National Vehicle Leasing Association's Executive Director Bill Nerenberg.

Nerenberg says, "and that's going to benefit customers because the lessors who survive are the better operators who take better care of their customers. Therefore, it solidifies the predictions for future expansion in the retail leasing market."

Retail leasing has stirred up growing curiosity among consumers. This has been predicated mainly by the passage of the Tax Reform Act of 1986 and its gradual elimination of interest deductions for new- and used-car purchases. For 1988, a car purchaser was allowed to deduct 40 percent of the interest paid on an automobile. In 1989, that figure will drop to 20 percent; in 1990 only 10-percent deductions will be allowed, and 1991 will see the com-



The American Automotive Leasing Association's Executive Director John Fitch.

plete elimination of federal income tax benefits for financing a car.

Another attraction to retail leasing is the difference in monthly payments between financing and leasing a car, and the lower initial cost. John Fitch, executive director of the American Automotive Leasing Association, sees more attractive pricing structures as the real reason for the growing popularity of consumer leasing. "Economics is the big factor," Fitch claims. "No downpayment is required for leasing a car, only a security deposit which is normally the first month's payment. Consumers are interested in the monthly price it will take to get them behind the wheel of a car. With leasing, monthly payments are lower.

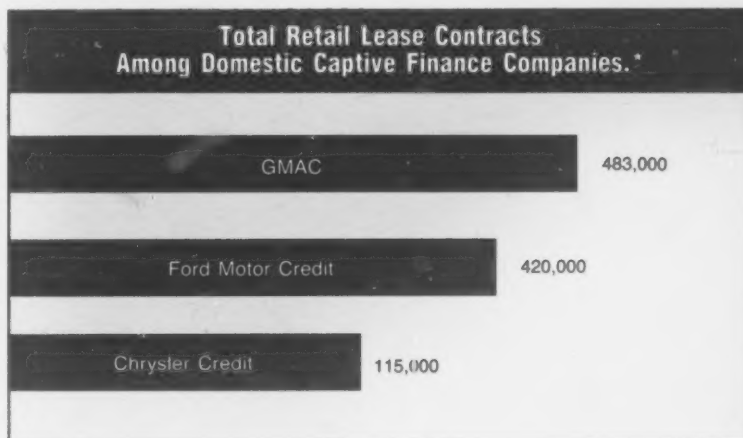
CONSUMER LEASING

Factory Leasing Programs

The early part of this decade seemed to indicate that leasing would go onward and upward for the captive finance companies. After writing only 20,000 leases during 1981, Ford Motor Credit increased that figure to 200,000 for 1985. The dip began in 1986, and in 1987 Ford only wrote 120,000 leases. Chrysler Credit and GMAC experienced similar drop-offs, and blame was placed on rampant interest-rate incentives offered by makers and the popularity of long-term, 60-month loans.

The Big Three's portfolios of active retail leases are quite substantial, though. Through last October, as Figure 1 shows, GMAC had 483,000 leases outstanding; Ford Motor Credit's total was 420,000, and third-place Chrysler Credit showed 115,000.

GMAC is the industry leader and, while down from a staggering



*Includes all retail leases through October 1988.

Figure 1

305,000 leases written in model-year 1985, the projection for MY 1988 was 100,000 leases, up from a reported 80,000 in MY 1987. As Figure 2 on page 62 shows, both GMAC and Ford Motor Credit projected totals of 100,000 for 1988.

New Lease Programs

SmartLease, the low-rate consumer lease program introduced last September by GMAC, covers all new 1988 and 1989 GM models. It offers a streamlined lease agreement that provides a consumer with the

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CONSUMER LEASING

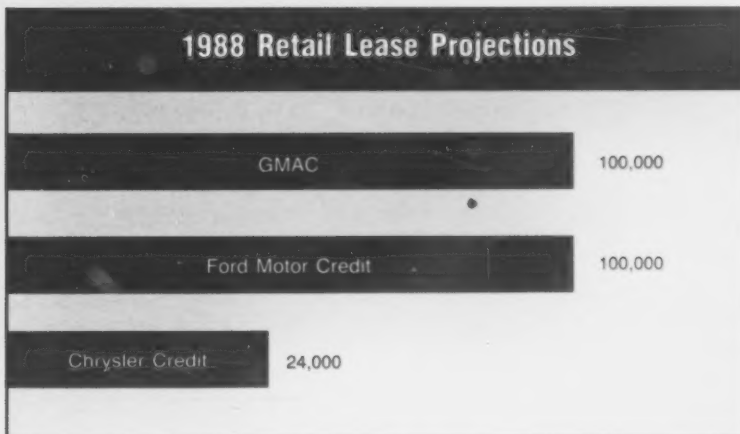


Figure 2

option of returning a car after a 48-month term or purchasing it for a price outlined in the agreement. Previous GMAC leasing programs have noted that the purchase price will be the current fair market value upon the lease's expiration date.

SmartLease also offered special incentives on select new 1989 GM vehicles through last Dec. 31. For instance, on a vehicle carrying a price tag of \$15,000 and a fixed price of \$5,000 to buy it at the end of the 48-month lease term, the monthly lease payment would be approximately \$309. Yet, if the vehicle is among the selected models covered by one of the special incentives, the lease payment would be \$282, a savings of about \$27 each month or \$1,296 over the term of the lease.

Comparing the same \$15,000 vehicle purchased with a \$3,000 down-payment on a 48-month loan at 11.75 percent, the monthly payment would be \$315.

Assessing SmartLease, Nerenberg says that the promotional campaign it has received informs the average consumer that its leasing services are available at almost every GM dealer. "I think the timing is very good," Nerenberg continues. "It has already established an identity, and GM's sales figures will most

likely show the program's effectiveness."

Both Red Carpet Leasing from Ford Motor Credit and Gold Key from Chrysler Credit are still strong programs, says Nerenberg, but GM's timing of the introduction of SmartLease came at a point when 1989 models were hitting dealers' lots, and is a departure from some of their previously-offered lease programs. GMAC will conduct ongoing training throughout the country for managers and sales staffs at GM dealerships to help increase the productivity of SmartLease.

In a statement released coinciding with the introduction of SmartLease, GMAC Chairman Jack Edman stated that the new program resulted from mutual efforts between GMAC and the GM divisions. The early goal was to market a plan to help consumers lease new GM vehicles and increase market share in the growing consumer leasing business. Edman stated that GMAC expects consumer leasing to rise in the next 10 years because it requires low initial cost and offers the option of keeping or returning the vehicle.

According to Fred Winkler, Jr., director of direct leasing for GMAC, SmartLease is living up to its initial expectations. "It's going along pretty well," he says. "Deal-

ers are really emphasizing the program in their advertising and, from the consumer's standpoint, the lease document itself is favorable—no penalties whatsoever. We're pleased so far." Winkler also commented that last November alone, the second full month of the program, produced 11,253 leases.

While SmartLease is aimed at the entire retail market, another new retail lease program, Small Business FleetPlan from American Express and GE Capital Corp., is aimed at a very select group of American Express Corporate Cardholders. The joint venture enables small businesses to lease vehicles at fleet-based prices, even if only one car is leased. The plan provides savings of up to 20 percent on monthly retail lease payments.

Members simply call a telemarketing number and are given monthly lease quotations based on dealer prices or the factory-order option for a variety of domestic and import makes and models. Initial estimates at last June's announcement of Small Business FleetPlan called for units leased to be in the multi-thousands.

Although 48-month leases are the status quo in today's market, GMAC and Ford Motor Credit also promote shorter terms. Shorter leases expedite the computation of residual values of cars when determining monthly payments. Also, according to Winkler, manufacturers see short-term leases bringing repeat customers. "Developing a long-term relationship with the customer begins with the initial lease."

The outlook for retail leasing in the next two to three years appears promising, according to industry insiders. Nerenberg estimates that a steady upward climb is on the horizon for the marketplace, "at least 10 percent a year over the next few years," he says. "As the interest deduction phases out, more people will become aware of the opportunities present in leasing. They will see that the playing field between leasing and buying is level-

CONSUMER LEASING

ing out, in terms of cost, and I suspect the market will grow in a very continuous manner."

Fitch, too, feels that consumer leasing will grow as time progresses and economic conditions remain stable, but warns that widespread

unethical behavior by private individual leasing brokers may cause state governments to bring regulation to an as-of-yet deregulated industry. "Regulation will boost costs and also give the impression that it's really a necessity when it isn't," he

says. "Now that consumers have a better overall understanding of leasing—they feel comfortable with the finer details—regulation would originate as a result of the acts of a small group of individuals and not the industry as whole." **[AF]**

Banks in Retail Leasing

The 30 largest financial institutions involved in vehicle leasing continue to increase the size of their retail lease portfolios, with 1987's combined total reaching 626,977 (See Figure 3).

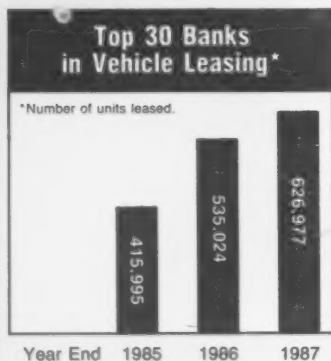


Figure 3

This growth comes as the capitalized cost of leasing a vehicle rises. In fact, since 1983, the capital cost of an average lease has risen dramatically. So says the Consumer Bankers Association's 1987 Auto Leasing and Financing survey.

According to the survey, the capital cost of an average lease in 1983 was \$12,630 (see Figure 4). By the end of 1987, it had risen to \$18,808. The average loss provision in 1984 was .85 percent of average outstanding leases. The survey showed it had risen to 1.3 percent in 1987.

According to Dr. Timothy Hinkin of the University of Virginia's Center for Financial Serv-

ices Studies, who performed the survey for the CBA, the results suggest that financial institutions generally are establishing larger loss provisions as well as incurring larger actual losses.

The survey also revealed that closed-end leases outnumber open-end leases 80 percent to 20 percent. Marine Midland Automotive Financial Corp., a subsidiary of Marine Midland Bank, has limited its lease services to only closed-end leases. "We're not comfortable with the text of open-end leases," says Michael Liviere, group executive of auto

operations for Midland, the largest bank in vehicle leasing. "With the purchase option in a closed-end lease, the consumer has the best of both worlds. A closed-end lease has no risk for the dealer or the customer."

Marine Midland's current lease portfolio holds 150,000 leases. For CY 1988, Liviere says leases were in the 65,000 to 70,000 range. "There was a drop-off of 30-40 percent the last few months of the year," he says, "so we're taking a more conservative approach to how we set our residual values."

Rising Capital Costs of Retail Leases

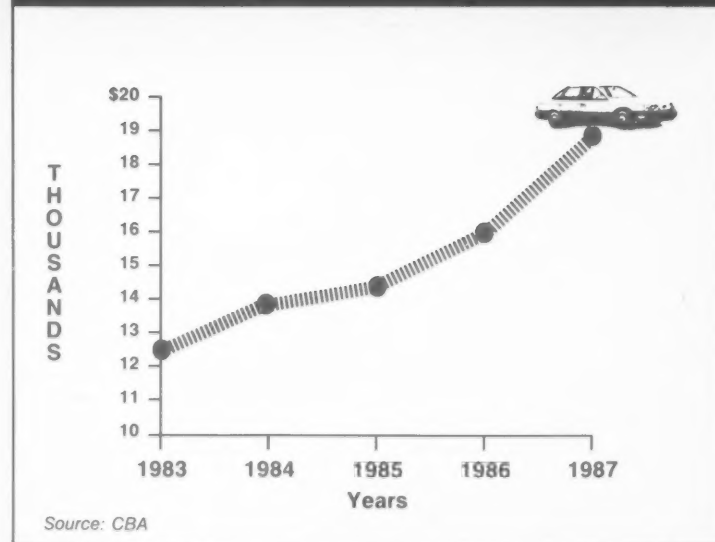


Figure 4

USED CARS

The following are average used-car prices for the period ending November 30, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE			
Model	Zone 1 Zone 2 Zone 3			Model	Zone 1 Zone 2 Zone 3			Model	Zone 1 Zone 2 Zone 3		
87 BUICK SKYLARK				86 DODGE 600				87 OLDS CUTLASS SUPREME			
Cust Coupe	5743	5801	5628	Sdn	5158	5210	5054	Coupe	8331	8415	8165
Cust Sdn	5830	5888	5714					Sedan	8331	8415	8165
87 BUICK CENTURY				87 FORD ESCORT				86 OLDS CUTLASS SUPREME			
Cust Sdn	7485	7560	7335	Htchbk 4 Dr GL Series	4804	4852	4707	Coupe	6617	6683	6455
86 BUICK CENTURY				86 FORD ESCORT				Sedan	6450	6515	6321
Cust Sdn	5987	6049	5868	Htchbk 4 Dr L Series	3539	3575	3468				
87 BUICK SKYLARK				87 FORD MUSTANG				87 OLDS 98			
Cust Sdn	7318	7390	7172	LX-4 Cpe	6405	6469	6277	Regency Sedan	10,858	10,967	10,642
86 BUICK SKYLARK				86 FORD MUSTANG				86 OLDS 98			
Cust Sdn	6011	6071	5891	LX-4 Cpe	5147	5199	5045	Rgcy Sedan	8846	8934	8669
87 BUICK SOMERSET REGAL				87 FORD TAURUS				87 PLYMOUTH HORIZON			
Coupe	7318	7390	7172	GL Sdn 4 Dr	7943	8022	7782	Htchbk 5 Dr	4380	4424	4294
87 BUICK RIVIERA				87 FORD TEMPO				86 PLYMOUTH HORIZON			
Coupe	11020	11130	10799	GL Sdn 4 Dr	5656	5714	5542	Htchbk 4 Dr	3366	3398	3298
86 BUICK RIVIERA				86 FORD TEMPO				87 PLYMOUTH RELIANT			
Coupe	9562	9658	9370	GL Sdn 4 Dr	4482	4526	4391	Sedan	5407	5462	5299
87 BUICK LE SABRE				86 FORD LTD				86 PLYMOUTH RELIANT			
Cust Sdn	9205	9297	9021	Sdn	4603	4650	4511	Sedan	4203	4244	4118
87 CADILLAC DE VILLE				87 FORD CROWN VIC				87 PLYMOUTH CARAVELLE			
Cpe	14,041	14,181	13,760	Sdn	9722	9819	9528	SE Sedan	6238	6300	6112
Sdn	14,215	14,357	13,931	86 FORD CROWN VIC				87 PLYMOUTH GRAN FURY			
86 CADILLAC DE VILLE				Sdn	8064	8144	7901	Salon Sedan	6120	6182	5997
Cpe	11,256	11,370	11,032	87 FORD THUNDERBIRD				86 PLYMOUTH GRAN FURY			
Sdn	11,403	11,518	11,176	Cpe	8610	8695	8438	Salon Sedan	4981	5030	4882
87 CADILLAC SEVILLE				86 FORD THUNDERBIRD				87 PONTIAC SUNBIRD			
Sdn	15,574	15,730	15,263	Cpe	6913	6982	6775	SE Coupe	5668	5725	5554
86 CADILLAC SEVILLE				87 LINCOLN CONTINENTAL				Sedan	5582	5637	5471
Sdn	14,030	14,170	13,749	Sdn	15,905	16,064	15,586	86 PONTIAC SUNBIRD			
87 CHEVY CAMARO				Town Car Sdn	14,463	14,608	14,174	SE Coupe	4673	4719	4579
Cpe	7550	7625	7398	Mark VII Cpe	15,804	15,760	15,292	Sedan	4634	4681	4541
86 CHEVY CAMARO				86 LINCOLN CONTINENTAL				87 PONTIAC 6000			
Cpe	6460	6525	6331	Sdn	13,256	13,388	12,990	Coupe	7093	7164	6952
87 CHEVY CAVALIER				Town Car Sdn	12,141	12,263	11,899	Sedan	7177	7248	7033
Sdn	5399	5453	5290	Mark VII Cpe	13,000	13,130	12,740	86 PONTIAC 6000			
86 CHEVY CAVALIER				87 MERCURY COUGAR				Coupe	5582	5638	5471
Sdn	4374	4417	4286	Cpe LS	9043	9133	8862	Sedan	5647	5705	5536
87 CHEVY CELEBRITY				86 MERCURY COUGAR				87 PONTIAC GRAND AM			
Sdn	6840	6908	6702	Cpe LS	7690	7767	7535	Sedan	7522	7597	7372
86 CHEVY CELEBRITY				87 MERCURY TOPAZ				87 PONTIAC FIREBIRD			
Sdn	5378	5431	5271	GS Sdn 4 Dr	5694	5750	5580	Coupe	7632	7707	7475
87 CHEVY CAPRICE				86 MERCURY TOPAZ				86 PONTIAC FIREBIRD			
Sdn	7632	7707	7479	GS Sdn 4 Dr	4553	4599	4462	Coupe	6541	6605	6410
87 CHEVY CORSICA				86 MERCURY MARQUIS				87 PONTIAC BONNEVILLE			
Sdn	6731	6798	6598	Sdn	4689	4736	4596	Sedan	9312	9407	9126
87 CHEVY BERETTA				87 MERCURY GRAND MARQUIS				86 PONTIAC BONNEVILLE			
Cpe	7253	7325	7107	Sdn	10,278	10,381	10,071	Sedan	6223	6286	6099
87 CHRYSLER LE BARON				86 MERCURY GRAND MARQUIS				87 PONTIAC GRAND PRIX			
Sdn	6642	6708	6509	87 NISSAN SENTRA				Coupe	8352	8437	8184
86 CHRYSLER LE BARON				Sedan 2 Dr	4494	4539	4404	86 PONTIAC GRAND PRIX			
Cpe	5350	5403	5243	87 NISSAN STANZA				Coupe	6716	6784	6582
Sdn	5403	5458	5296	E Ntch 4 Dr	7055	7126	6914	87 TOYOTA COROLLA			
87 CHRYSLER FIFTH AVENUE				87 NISSAN MAXIMA				Sedan 4 Dr Deluxe	6234	6296	6109
Sdn	10,135	10,235	9932	SE Sedan	10,677	10,784	10,463	87 TOYOTA CAMRY			
86 CHRYSLER FIFTH AVENUE				86 NISSAN SENTRA				Sedan 4 Dr Deluxe	9133	9224	8950
Sdn	8402	8485	8235	Sid Sedan 2 Dr	3419	3453	3351	87 TOYOTA CRESSIDA			
87 DODGE OMNI AMERICA				86 NISSAN STANZA				Lux Sedan	13,338	13,471	13,701
Htchbk 5 Dr	4410	4454	4322	GL Ntch 4 Dr	5848	5906	5731	86 TOYOTA COROLLA			
86 DODGE OMNI				86 NISSAN MAXIMA				Sedan 4 Dr Deluxe	5176	5228	5072
Htchbk 4 Dr	3372	3404	3304	SE Sedan	9052	9143	8871	86 TOYOTA CAMRY			
87 DODGE ARIES				87 OLDS FIRENZA				Sedan 4 Dr Deluxe	6963	7033	6824
Sdn	5402	5456	5293	Sedan	5830	5888	5714	86 TOYOTA CRESSIDA			
86 DODGE ARIES				86 OLDS FIRENZA				Lux Sedan	10,423	10,527	10,215
Sdn	4420	4263	4135	Sedan	4723	4769	4629	87 VOLKSWAGEN JETTA			
87 DODGE DIPLOMAT				87 OLDS CIERA				Sedan 4 Dr	7197	7269	7053
Sin Sdn	6127	6188	6004	S Coupe	7467	7541	7317	86 VOLKSWAGEN JETTA			
86 DODGE DIPLOMAT				Sedan	7553	7628	7402	Sedan 4 Dr	6281	6344	6155
Sin Sdn	4949	4999	4850	86 OLDS CIERA							
87 DODGE 600				LS Coupe	5847	5906	5730				
Sdn	6302	6364	6175	LS Sedan	5918	5977	5801				
				87 OLDS CALAIS							
				Sedan	7311	7384	7165				

CALENDAR

JANUARY

25-28—Rent-A-Wreck Convention, Bally's Hotel, Las Vegas, NV. Information: (213) 208-7712.

28-31—National Automobile Dealers Association Annual Convention, New Orleans, LA. Information: (703) 749-4700.

FEBRUARY

7—National Association of Fleet Administrators, Fleet Fair, Ramada Renaissance Hotel, Long Beach, CA. Information: (818) 449-5734.

10-13—National Independent Automobile Dealers Association, Annual Convention & Trade Show, San Diego Marriott, San Diego, CA. Information: (214) 556-0044.

12-16—Budget Rent-A-Car Convention, Marriott Harbor Beach Hotel, Ft. Lauderdale, FL. Information: (312) 580-5000.

14-16—National Association of Fleet Administrators, Fleet Seminars, The Red Lion, Salt Lake City, UT. Information: (201) 494-8100.

26-Mar.1—American Automotive Leasing Association Convention, La Costa Spa & Club, La Costa, CA. Information: (202) 223-2600.

MARCH

2-5—Truck Renting and Leasing Association, Annual Convention, Ritz-Carlton Hotel, Naples, FL. Information: (202) 775-4859.

5-8—Consumer Bankers Association, Automobile Finance Conference, Hyatt Regency Westshore, Tampa, FL. Information: (703) 276-1750.

29-31—Fourteenth International Mobile Communications Expo, Las Vegas Convention Center, Las Vegas, NV. Information: (303) 220-0600.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Juneau, AK	149.9c	134.4c
Kingman, AZ	147.2	116.4
Santa Ana, CA	147.9	87.4
Pueblo, CO	123.9	94.9
New London, CT	109.9	107.9
Washington, DC	139.8	101.2
Jacksonville, FL	135.9	89.9
Topeka, KS	112.9	85.9
Springfield, MO	111.4	81.9
Gulfport, MS	123.9	94.6
Greensboro, NC	114.6	92.4
Albany, NY	123.4	95.4
Canton, OH	136.9	85.9
Tulsa, OK	102.2	87.4
Memphis, TN	120.2	87.6

Survey conducted during the first five working days of December 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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A Fleet Publication

February 1989

AUTOMOTIVE FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Top 100 Fleets

Plus:

Cycling Options
NHTSA Crash Criteria
Operating Cost Survey
Compact Pickup Comparison



Chevrolet's All-New Lumina Line

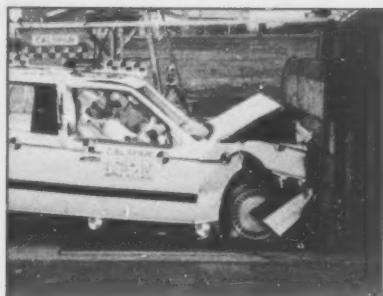
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



FEBRUARY 1989
VOL. 28, NO. 4

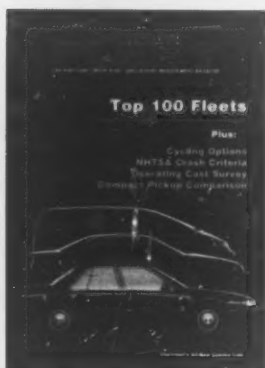
Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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On the cover: In the foreground is the Lumina Sedan with the Lumina Coupe and Lumina APV silhouetted in the background.

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FLEET

FOR FOR

STATISTICS

The 10th Annual Top 100

This year, 14 fleets have joined the ranks of the nation's Top 100 fleets. Also, several former Top 100 fleets, as a result of decentralization, have fallen out of this select listing.

The new fleets entering the Top 100 are: ADT Security Systems, American Greetings, Baxter Healthcare, Borden, Bristol-Myers, Campbell-Taggart, E.I. DuPont de Nemours Co., Electronic Data Systems, McKesson, NCR, Norfolk Southern Railroad, Quality Bakers America, Service Corp. International, and Stroehmann Bakeries.

Other fleets, such as Arco, Pepsi, and United Technologies, have been cut from the Top 100 as a result of

decentralizing their fleet operations.

In order to qualify for the Top 100, a fleet must be part of a business/corporate entity that has centralized automotive control. Companies operating driver reimbursement programs for employee-owned vehicles are not listed. A prominent example is IBM.

Fleet size is verified by the *Automotive Fleet* Research Department either by phone or mail inquiry. Counted as part of a fleet's total vehicles are company-controlled cars and light trucks and vans under 14,000 GVW. Not counted are lift trucks, trailers, or trucks larger than class 3. Approximately 150 large-fleet companies are selected from *AF's* circulation list to be

recipients of the Top 100 survey questionnaire. In addition to fleet size, the survey's are used to determine whether a fleet is company-owned or fully- or partially-leased.

REPRINTS OF TOP 100

Reprints of this special 20-page section are available through *AF's* Reader Service Manager, 2512 Artesia Blvd., Redondo Beach, CA 90278, or by phoning (213) 376-8788.

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Note: The TOP 100 list is copyrighted and may not be reproduced.

You could cut your costs like this.



AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company Name	Rank	Company Name	Rank	Company Name	Rank	Company Name	Rank
Abbott Labs	75	Eastman Kodak	10	Interstate Brands Corp.	20	Sears, Roebuck and Co.	4
ADT Security Systems	43	ECOLAB, Inc.	60	Johnson Controls	56	Service America Corp.	29
Aetna Life & Casualty	36	Electronic Data Systems	92	Kesbler Co.	71	Service Corporation Int'l.	69
Amoco Corp.	51	Eli Lilly Co.	80	Kraft	51	Shaklee Corp.	83
ARA Services	11	Emery & Purolator	17	LDS Church	9	Shell Oil Co.	19
Ashland Oil, Inc.	14	Exxon Co. USA	24	Liberty Mutual Ins. Co.	34	Sherwin Williams	63
Avon Products, Inc.	92	E.I. duPont & Co.	28	Marathon Oil Co.	57	Smith Kline Corp.	42
Bank of America	95	Farmers Group, Inc.	59	McDonald's Corp.	62	State Farm Insurance	7
Baxter Healthcare Corp.	81	Federal Express Corp.	1	McKesson Corp.	77	Stroehmann Bakeries	93
Borden, Inc.	21	FMC Corp.	85	Merck & Co., Inc.	46	Teledyne, Inc.	53
Bristol-Myers	76	Frito Lay, Inc.	5	Minnesota Mining & Mfg.	16	Tenneco, Inc.	26
Brown Williamson	90	GAB Business Services	98	Montgomery Ward	79	Transamerica Corp.	68
Burlington Northern RR.	48	General Electric, Maj. Apl.	37	Motorola, Inc.	18	Travelers Companies	41
Campbell Taggart, Inc.	22	General Foods	66	Nabisco Brands, USA	52	Tupperware	12
Canteen Co.	35	General Mills	96	NCR Corp.	87	Union Carbide Corp.	32
CIGNA Corp.	72	Goodyear Tire & Rubber	23	Norfolk Southern	44	Union Pacific Systems	25
Continental Baking Co.	8	Greyhound Corp.	58	Pfizer, Inc.	47	Upjohn Co.	67
Continental Insurance	74	Gulf & Western, Inc.	78	Philip Morris USA	33	USF&G Insurance	89
Control Data Corp.	84	Hallmark Cards, Inc.	100	Phillips Petroleum	45	USX Corp.	34
Cox Enterprises, Inc.	49	Hartford Insurance	70	Pony Express Courier Corp.	88	Van Pool Services	65
Crawford & Co.	55	Hewlett-Packard Co.	83	PPG Industries	73	Westinghouse	15
CSX Transportation	27	Hoechst Celanese Corp.	91	Procter & Gamble Co.	38	Whitman Corp.	40
Diebold, Inc.	64	Hoffman LaRoche	50	Quality Bakers America	2	Wickes Companies, Inc.	99
Digital Equipment	6	Honeywell, Inc.	13	Revlon, Inc.	54	WR Grace & Co.	61
Dow Chemical USA	30	Ingersoll Rand Co.	87	Rollins, Inc.	39	Xerox	3

Note: Boldfaced companies are new to 1989's TOP 100 listing.

Or go with Chrysler Service Contracts.

Some companies go to extremes to cut fleet costs. But those in the know simply use Chrysler Service Contracts. With short-term, high-mileage contracts and extensive component coverage, we can cut the cost of your fleet repairs. We can also cut the cost of downtime with towing provisions and car rental allowances. Before you do anything rash call 1-800-521-9922 about Chrysler Service Contracts. Today!



**CHRYSLER
SERVICE
CONTRACTS**

We sell satisfaction.



STATISTICS

Top 100

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
1	1	Federal Express Memphis, TN	Evelyn Holmes	X	Fleetmark, ARI		21,180	21,180
2	—	Quality Bakers America Greenwich, CT	David I. Armstrong	X	—	2,900	17,000	19,900
3	2	Xerox Corp. Rochester, NY	Ron Pink	—	LMV	9,960	4,461	14,421
4	3	Sears, Roebuck and Co. Chicago, IL	William Jones III	X	—	300	13,800	14,100
5	4	Frito-Lay Corp. Dallas, TX	Tom Smith Charles Loveless	X	—	830	11,500	12,330
6	6	Digital Equipment Maynard, MA	Rick Catino Ellen Finnerty Dave Rand	—	PH&H, GEC Fleet	10,251	1,061	11,312
7	10	State Farm Insurance Bloomington, IL	Thomas D. Sours	X	—	9,023	275	9,298
8	8	Continental Baking Co. St. Louis, MO	Paul J. Walsh J. L. Eber	X	—	406	8,762	9,168
9	9	Church of Jesus Christ of Latter Day Saints Salt Lake City, UT	Scott Thredgold Harry Jeffs Bob Clark	X	—	8,130	650	8,780
10	22	Eastman Kodak Rochester, NY	Marc Carney	X	PH&H	7,500	1,100	8,600

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
11	12	ARA Services Philadelphia, PA	Ralph Jamic Kamran Parow	X	GEC Fleet	2,527	5,604	8,131
12	7	Tupperware Orlando, FL	Joe Fox Kathy King Stan Harris	X	GEC Fleet, Wheels	—	8,000	8,000
13	14	Honeywell, Inc. Minneapolis, MN	Connie Wesley	—	GEC Fleet, PH&H	4,650	2,780	7,430
14	15	Ashland Oil Ashland, KY	William D. Bloss	X	PH&H GEC Fleet	3,750	3,400	7,150
15	18	Westinghouse Electric Corp. Pittsburg, PA	Lou Dobak	X	PH&H, GEC Fleet, LMV	3,620	3,350	6,970
16	16	Minnesota Mining & Mfg. St. Paul, MN	Tim R. Hoffman	X	—	5,463	1,163	6,626
17	28	Emery Purolator Wilton, CT	J. B. Townley Ron Yavorka	—	Lend Lease	600	6,000	6,600
18	27	Motorola, Inc. Schaumburg, IL	Charles Kuebler	X	—	5,129	1,208	6,337
19	21	Shell Oil Co. Houston, TX	Lydia Foght	X	—	2,000	3,750	5,750
20	33	Interstate Brands Kansas City, MO	David Weisman Gary Pasche	X	—	90	5,229	5,319
21	—	Borden, Inc. Columbus, OH	Ron Cosey	X	—	1,800	3,500	5,300
22	—	Campbell Taggart, Inc. Dallas, TX	Ray Grzywinski	X	—	750	4,500	5,250
23	23	Goodyear Tire & Rubber Akron, OH	George Platis	X	PH&H	—	5,059	5,059

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
24	24	Exxon Co. USA Houston, TX	John W. Dewees	X	—	2,000	3,000	5,000
25	26	Union Pacific Systems Omaha, NE	Jerry Covey	X	GEC Fleet	925	4,074	4,999
26	30	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	X	Fleet Services	1,900	3,000	4,900
27	17	CSX Transportation Jacksonville, FL	Jim Fronkoski Mark Gast	X	ARI, BankAmer- lease, New Eng. Merchants	600	4,000	4,600
28	—	E. I. duPont de Nemours & Co. Wilmington, DE	Richard G. Prettyman	—	PH&H	3,020	1,543	4,563
29	20	Service America Corp. Stamford, CT	Wilbur O. Wachter	X	Wheels, PH&H	1,032	3,439	4,471
30	36	Dow Chemical USA Midland, MI	Tom Madden Sue Soper	—	McCullagh, Wheels	2,000	2,268	4,268
31	19	Amoco Corp. Chicago, IL	Richard Lynch	X	—	1,200	3,000	4,200
32	46	Philip Morris USA New York, NY	Gregory J. Tarring Janice Groele	—	PH&H, GEC Fleet	1,000	3,000	4,000
33	34	Union Carbide Corp. Danbury, CT	Fred Glawtzig	X	Wheels	3,400	600	4,000
34	35	USX Corp. Pittsburgh, PA	Craig James	X	ARI, LMV, USFL	1,860	2,046	3,906
35	41	Canteen Company Chicago, IL	Mark Klein	X	—	944	2,860	3,854
36	32	Aetna Life & Casualty Hartford, CT	Martin F. Crean	X	PH&H	3,586	252	3,838

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
37	37	General Electric Consumer Service Louisville, KY	Vic Miska	X	GEC Fleet	—	3,700	3,700
38	38	Procter & Gamble Co. Cincinnati, OH	Clarence O'Dell	X	—	3,700	—	3,700
39	29	Rollins, Inc. Atlanta, GA	Dave B. Leedy John Willis	—	B&M World Omni	595	3,103	3,698
40	31	Whitman Corp. (formerly IC Industries) Chicago, IL	E. P. Walsh	—	GEC Fleet	2,392	1,300	3,692
41	39	Travelers Companies Hartford, CT	Patrick Sweeney	—	PH&H	3,510	108	3,618
42	60	Smith Kline, Corp. Philadelphia, PA	William Hawey Susan Gallagher Steve Elison	—	Wheels	3,400	160	3,560
43	—	ADT Security Systems Parsippany, NJ	John Africano	X	GEC Fleet	953	2,547	3,500
44	—	Norfolk Southern Roanoke, VA	W. L. Goodman	X	—	800	2,500	3,300
45	40	Phillips Petroleum Bartlesville, OK	James R. Grillot Gary R. Herrington	X	—	630	2,584	3,214
46	62	Merck & Co. Rahway, NJ	Alma M. Cristauro	—	PH&H	3,045	163	3,208
47	53	Pfizer, Inc. New York, NY	Gordon B. West	—	Wheels, PH&H	2,380	515	3,195
48	42	Burlington Northern RR St. Paul, MN	John Long	X	—	650	2,500	3,150
49	45	Cox Enterprises, Inc. Atlanta, GA	Patsy Brownson	—	ARI, Wheels	530	2,550	3,080
50	47	Hofiman-LaRoche Nutley, NJ	John Smith	X	PH&H, Wheels	2,700	300	3,000

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
51	25	Kraft, Inc. Glenview, IL	Bill Roberts	—	GEC Fleet	3,000	—	3,000
52	29	Nabisco Brands, Inc. Biscuit Division East Hanover, NJ	James F. O'Neill	—	PH&H	3,000	—	3,000
53	48	Teledyne, Inc. Los Angeles, CA	Robert Forsey	X	—	2,500	500	3,000
54	54	Revlon, Inc. Edison, NJ	Kathy Poppe	—	GEC Fleet	2,957	37	2,994
55	52	Crawford & Co. Atlanta, GA	Wanda Ellison	—	Calesco, B&M Equip	2,815	100	2,915
56	49	Johnson Controls, Inc. Milwaukee, WI	Bob Borchert	X	GEC Fleet, Southgate	661	2,240	2,901
57	50	Marathon Oil Co. Houston, TX	Lois A. Smith	X	PH&H, Wheels	750	2,150	2,900
58	51	Greyhound Corp. Phoenix, AZ	Susan D. Richard	—	PH&H	1,875	1,005	2,880
59	63	Farmers Insurance Grp. Los Angeles, CA	Gene Grembowski	—	F.I.G. Leasing (In-house)	2,668	42	2,710
60	57	Ecolab St. Paul, MN	Jerry Rodewald	X	GEC Fleet	1,700	1,000	2,700
61	59	WR Grace Co. New York, NY	J. W. Enterline	—	PH&H, USFL	1,405	1,290	2,695
62	64	McDonalds Corp. Oakbrook, IL	Susan (Stupak) Miller	X	PH&H, Enterprise	2,589	25	2,614
63	73	Sherwin Williams Co. Cleveland, OH	David Hail Dan Solar	—	McCullagh, GEC Fleet	1,440	1,163	2,602

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
64	55	Diebold, Inc. Canton, OH	Linda Taylor	—	PH&H	800	1,800	2,600
65	78	Van Pool Services Detroit, MI	Kenneth C. Sieloff	X	—	—	2,519	2,519
66	61	General Foods White Plains, NY	Barbara Amrod	X	Wheels	2,400	100	2,500
67	66	The Upjohn Co. Kalamazoo, MI	Stephen A. Levine Juanita Perry Lenora Webster	X	Wheels, GEC Fleet	2,195	290	2,485
68	74	Transamerica Corp. Schaumburg, IL	A. F. Wooten	X	—	2,400	75	2,475
69	—	Service Corp. Int'l Inc., Houston, TX	Gary L. Sanders	X	X	896	1,574	2,470
70	65	Hartford Insurance Hartford, CT	Diane Brittell	—	PH&H	2,324	85	2,409
71	72	Keebler Co. Elmhurst, IL	William R. Stanley Deborah L. Mellone	—	Wheels, GEC Fleet	2,125	275	2,400
72	69	CIGNA Corp. Philadelphia, PA	Timothy Hagarty	X	PH&H	2,231	121	2,352
73	44	PPG Industries Pittsburgh, PA	Debbie Durick Vic Pelletier	—	GEC Fleet	1,375	975	2,350
74	68	Continental Insurance Cranbury, NJ	William J. Benzie Victor Kaplij	—	PH&H	2,295	5	2,300
75	79	Abbott Labs Abbott Park, IL	Richard Derreberry	—	PH&H, Wheels	2,156	141	2,297
76	—	Bristol-Myers Evansville, IN	Thomas E. Anslinger	—	PH&H, Wheels	2,040	241	2,281

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
77	—	McKesson Corp. San Francisco, CA	Martin J. Ward	X	X	1,100	1,075	2,175
78	89	Gulf & Western, Inc. Madison, WI	John W. Simon	X	Associates Leasing	2,100	50	2,150
79	92	Montgomery Wards Chicago, IL	Roseann Neveitt	—	PH&H, GEC Fleet	228	1,916	2,144
80	77	Eli Lilly Co. Indianapolis, IN	H. V. Hasler, Sue Webster, Roger Green	X	Wheels	1,930	213	2,143
81	—	Baxter Healthcare Corp. Deerfield, IL	Patrick J. Sheehan	—	Wheels, GEC Fleet	2,100	—	2,100
82	76	Avon Products, Inc. New York, NY	Maxine Sullivan	—	GEC Fleet	2,000	60	2,060
83	75	Hewlett Packard Western Reg. No. Hollywood, CA	Craig Kundrotas	X	In-house	2,000	18	2,018
84	71	Control Data Corp. Minneapolis, MN	Kathleen L. Wester	—	McCullagh	1,800	200	2,000
85	84	FMC Corp. Chicago, IL	Lawrence Dakof	X	GEC Fleet	1,000	1,000	2,000
86	58	Shaklee Corp. San Francisco, CA	Janice Williamson	X	In-house	1,850	150	2,000
87	85	Ingersoll Rand Co. Piscataway, NJ	Patricia Pearsall	—	Wheels	1,306	663	1,969
88	80	Pony Express Courier Charlotte, NC	William J. Glasheen	—	Trans-America Finance Corp.	89	1,867	1,956

'89 Rank	'88 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
89	91	USF&G Insurance Baltimore, MD	James D. Myers	X	—	1,864	12	1,876
90	88	Brown & Williamson Tobacco Louisville, KY	Charles M. Cooley	X	—	596	1,266	1,862
91	81	Hoechst Celanese Somerville, NJ	James Devine Isabel Bogusz	X	Wheels, PH&H GEC Fleet	1,652	192	1,844
92	—	Electronic Data Systems Richardson, TX	Rich Piper	X	X	1,018	816	1,834
93	—	Stroehmann Bakeries Horsham, PA	Paul M. Gossard	X	PH&H	190	1,600	1,790
94	90	Liberty Mutual Ins. Co. Boston, MA	Barbara Feinberg	X	—	1,750	13	1,763
95	87	Bank of America Concord, CA	Al Davis Dave Olson	X	—	1,322	415	1,737
96	94	General Mills Minneapolis, MN	Henry Paetzel Dick Livermore	X	—	1,496	230	1,726
97	86	GAB Business Services Parsippany, NJ	G. J. Keenan	X	PH&H, GEC Fleet	1,712	8	1,720
98	—	NCR Corp. Dayton, OH	Ann Mangen	X	Wheels, PH&H	730	990	1,720
99	56	Wickes Co. Inc. Irvine, CA	Terry Flesia	—	Associates, Leaseplan USA	1,098	486	1,584
100	98	Hallmark Cards Kansas City, MO	Debby Mize	X	—	1,500	75	1,575

TOTALS

219,809 211,512 431,321

Bold faced companies are new to this year's list.

SURVEY

For the first time, NAFA's 1988 study of fleet operating expenses differentiates between passenger cars, vans, and light-duty trucks. By distinguishing between types of fleet vehicles, comparisons should be easier.

NAFA's 1988 Operating Expense Survey

The National Association of Fleet Administrators' 1988 Fleet Operating Expense Survey individually itemizes expenses for passenger cars, vans, and light-duty trucks.

The fleets in this survey control 109,573 vehicles, of which 65,522 are company-owned and 44,051 are leased. Commercial fleets control 21,918 company-owned vehicles and 43,634 leased vehicles, for a total of 65,552. Public service fleets control 43,604 company-owned vehicles and 417 leased vehicles, for a total of 44,021.

More than 65 percent of the vehicles represented in this survey are automobiles, 21.4 percent are light-duty trucks, and 13.4 percent are

vans. Most of the automobiles are mid-size, followed by compacts, full-size, subcompacts, and executive. (See charts for actual numbers.) Most of the vans are full-size, rather than minivans.

In this year's survey, responding sales fleets reported paying an aver-

age for each automobile of 4.22 cents/mile for fuel, 0.19 cents/mile for oil, 1.60 cents/mile for maintenance and repairs, and 0.38 cents/mile for tires and tire repairs. Some sales fleets responded only in total operating expenses rather than separate expenses for each of the

Number of Vehicles in Survey

Primary Fleet Use	Company-Owned	Leased	Total
Sales	7,842	27,391	35,233
Service/Repair	13,907	15,468	29,375
Public Utility	26,587	323	26,910
Government	14,463	78	14,541
Law Enforcement	2,554	16	2,570
Other	169	775	944
Total	65,522	44,051	109,573

Types of Vehicles in Responding Fleets

Primary Fleet Use	Sub-Compact	Compact	Mid-Size	Full-Size	Luxury	Total Cars	Mini-Vans	Full-Vans	Total Vans	Light Duty Trucks	Total Vehicles
Sales	1,229	7,034	20,400	740	241	29,644	2,919	2,022	4,941	648	35,233
Service/Repair	91	8,871	11,421	732	137	21,252	1,762	793	2,555	5,568	29,375
Public Utility	5,828	2,436	1,230	177	8	9,679	761	4,590	5,351	11,880	26,910
Government	772	2,999	1,442	2,724	8	7,945	207	1,251	1,458	5,138	14,541
Law Enforcement	2	39	713	1,624	22	2,400	13	51	64	106	2,570
Other	22	31	400	36	21	510	19	327	346	88	944
Total	7,944	21,410	35,606	6,033	437	71,430	5,681	9,034	14,715	23,428	19,573
% of Total	7.3	19.5	32.5	5.5	0.4	65.2	5.2	8.2	13.4	21.4	100.0

SURVEY

following items, so the average total operating expense for each automobile is 6.39 cents/mile. Each automobile in this category is driven an average of 2,204 miles each month.

According to survey results, for sales fleets that kept their automobile figures in a dollar/month/vehicle system, the average automobile expense list is: fuel, \$95.55/month; oil, \$4.78/month; maintenance and repairs, \$33.78, and tires and tire repairs, \$8.09. Again, for those respondents giving only total dollars/month/vehicle rather

than individual expenses for each item, the total average dollars/month/vehicle is \$142.46. Each automobile in this category is driven an average of 2,135 miles each month.

Sales fleets using both mini- and full-sized vans say they pay, for each van, an average of 6.09 cents/mile for fuel, 0.42 cents/mile for oil, 2.43 cents/mile for maintenance and repairs, and 0.50 cents/mile for tires and tire repairs. For van expenses, the average total was 9.11 cents per vehicle per mile. These vans are driven an average of 2,542 miles

each month.

Sales fleets that use vans and keep their figures in dollars/month/vehicle form say they pay, for each van, an average of \$93.57/month for fuel, \$8.74 for oil, \$32.85 for maintenance and repairs, and \$11.26 for tires and tire repairs. Total average dollars/month/vehicle in this category was \$157.86. Each vehicle in this category is driven an average of 1,970 miles each month.

Sales fleets utilizing light-duty trucks say they pay, for each truck, an average of 7.61 cents/mile for fuel, 0.23 cents/mile for oil, 2.99

**Automobile
Average Cents/Mile Cost Per Vehicle
(All Size Vehicles)**

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,204	4.22*	0.19*	1.60*	0.38*	6.39*
Service/Repair	2,229	4.47	0.25	1.63	0.38	6.72
Public Utility	1,242	3.99	0.77	1.93	0.41	7.89
Government	3,683	4.34	0.32	2.97	0.46	9.94
Law Enforcement	1,864	4.65	0.19	2.27	0.79	7.66
Other	2,269	4.45	0.33	2.47	0.24	7.53

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

**Automobile
Average Dollar/Month Cost Per Vehicle
(All Size Vehicles)**

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,135	\$ 95.55	\$4.78	\$33.78	\$ 8.09	\$142.46
Service/Repair	2,025	120.04	7.47	37.84	10.65	176.38
Public Utility	1,048	36.77	3.08	53.44	8.01	94.25
Government	1,038	54.95	6.00	39.14	5.43	117.20
Law Enforcement	1,108	60.14	1.90	90.59	13.00	163.92
Other	2,777	119.01	2.48	25.26	7.19	153.94

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

SURVEY

Vans
Average Cents/Mile Cost Per Vehicle
(Mini- and Full-Size Vans)

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,542	6.09¢	0.42¢	2.43¢	0.50¢	9.11¢
Service/Repair	2,154	5.71	0.31	2.95	0.71	10.69
Public Utility	1,000	6.05	0.66	4.84	0.98	13.15
Government	1,707	6.60	0.33	4.39	0.53	14.25
Law Enforcement	1,600	4.50	0.50	2.50	0.50	7.50
Other	2,473	6.54	0.75	2.15	0.25	13.41

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

cents/mile for maintenance and repairs, and 0.84 cents/mile for tires and tire repairs. For light-duty trucks, the total average cents/mile expense was 11.31. These trucks are driven an average of 1,920 miles each month.

Fleets keeping light-duty truck expenses in dollars/month/vehicle say they pay an average of \$100.17 for fuel, \$6.08 for oil, \$29.88 for maintenance and repairs, and \$14.17 for tires and tire repairs. Total average dollars/month/vehicle in this category was \$146.90. Light-duty trucks in this category were driven

an average of 2,267 miles each month.

Responding fleets said their average original cost was \$10,721 for 1988-model year automobiles; \$13,119 for 1988 vans; \$10,467 for 1988 light-duty trucks.

Automobiles in responding fleets are depreciated over an average period of 48 months; however, the most often cited depreciation periods were 50 and 60 months. Vans are depreciated over an average period of 53 months, and light-duty trucks are depreciated over an average period of 58 months. Fleets

depreciate all vehicles in the survey an average of two percent every month; this was by far the most often cited depreciation rate.

More than 88 percent of respondents indicated that they are self-insured for property damage to their vehicles, while 61 percent said that they administer a safety/accident reduction program for their fleets.

For this year's operating expense survey, fleet managers were asked to choose the category that best described their fleet's primary function. Forty-five percent of the respondents said their primary fleet

Vans
Average Dollar/Month Cost Per Vehicle
(Mini- and Full Size)

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	1,970	\$ 93.57	\$ 8.74	\$32.85	\$11.26	\$157.86
Service/Repair	2,583	118.32	14.12	39.00	17.50	173.50
Public Utility	1,101	68.46	6.90	31.72	19.59	144.58
Government	NA	NA	NA	NA	NA	NA
Law Enforcement	NA	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA	NA

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

SURVEY

Light-Duty Trucks
Average Cents/Mile Cost Per Vehicle

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	1,920	7.61¢	0.23¢	2.99¢	0.84¢	11.31¢
Service/Repair	1,866	8.44	0.27	4.70	0.96	15.17
Public Utility	1,070	6.85	0.80	5.32	0.95	13.56
Government	1,946	5.69	0.37	5.19	0.85	13.67
Law Enforcement	1,350	6.00	0.30	3.00	0.70	9.93
Other	NA	NA	NA	NA	NA	NA

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

Light-Duty Trucks
Average Dollar/Month Cost Per Vehicle

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,267	\$100.17	\$ 6.08	\$29.88	\$14.17	\$146.90
Service/Repair	NA	NA	NA	NA	NA	NA
Public Utility	2,130	74.49	4.68	36.33	15.94	157.74
Government	2,325	71.81	6.00	43.06	19.81	135.44
Law Enforcement	NA	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA	NA

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

function was sales; 20 percent, service/repair; 14 percent, government; 11 percent, public utility; five percent, law enforcement, and five percent said "other."

As a means of verifying the results of the operating expense survey, NAFA asked several leasing companies to include their composite operating expenses. A "control group" of 10 fleet managers was devised, from both the commercial and the public fleet sectors, who were known to have accurate, up-to-date operating cost statistics. Above is a detailed comparison of the averages of responding sales fleets, the control group, and the leasing companies.

The control group spends an average of 4.22 cents/mile/vehicle

(c/m/v) on fuel; fleets in the operating cost survey average 4.50 c/m/v; participating leasing companies average 4.64 c/m/v.

For oil, the control group averages 0.22 cents/mile/vehicle, while the survey average is 0.19 c/m/v, and the leasing companies average is 0.07 c/m/v.

The control group spends an average of 1.52 cents/mile/vehicle on maintenance and repairs; survey respondents average 1.60 c/m/v, and leasing companies average 1.82 c/m/v.

With regard to tires and tire repairs, the control group and the survey respondents both average 0.38 cents/mile/vehicle, while the leasing companies average 0.29 c/m/v.

Total operating expenses for the control group is 6.32 cents/mile/vehicle; the survey average is 6.39 c/m/v; the leasing companies average 6.82 c/m/v.

The control group is responsible for 24,064 vehicles, of which 21,655 are company-owned and 2,409 are leased. These vehicles are driven an average of 1,451 miles each month. The survey group controls 7,842 company-owned and 27,391 leased vehicles, for a total of 35,233. These vehicles are driven an average of 2,173 miles each month. The leasing companies did not specify the number of vehicles for which their numbers were based, but each vehicle was driven an average of 2,108 miles each month.

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NOTE

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MARCH 1989
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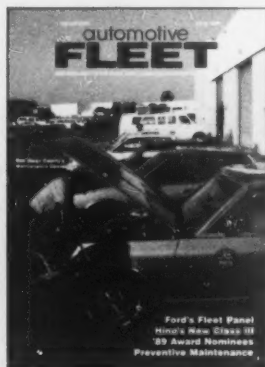
Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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On the cover: The County of San Diego maintains a fleet of 1,730 vehicles. For a rundown on their operations, see the feature beginning on page 42.

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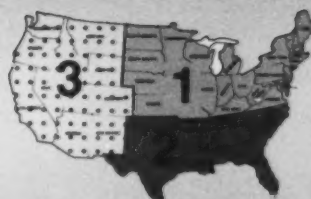
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USED CARS

The following are average used-car prices for the period ending February 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



WHALES AUCTION PRICE			AVERAGE AUCTION PRICE			WHALES AUCTION PRICE		
Zone 1 Zone 2 Zone 3			Zone 1 Zone 2 Zone 3			Zone 1 Zone 2 Zone 3		
87 BUICK SKYHAWK			86 DODGE 600			87 OLDS CUTLASS SUPREME		
Cust Coupe	5533	5589	Sdn	4930	4979	Coupe	7978	8058
Cust Sdn	5617	5673				Sedan	7978	8058
87 BUICK CENTURY			87 FORD ESCORT			86 OLDS CUTLASS SUPREME		
Cust Sdn	7117	7189	Htchbk 4 Dr GL Series	4582	4627	Coupe	6363	6426
86 BUICK CENTURY						Sedan	6202	6264
Cust Sdn	5722	5780	86 FORD ESCORT			87 OLDS 98		
87 BUICK SKYLARK			Htchbk 4 Dr L Series	3351	3385	Regency Sedan	10,408	10,512
Cust Sdn	6973	7041	87 FORD MUSTANG			86 OLDS 98		
86 BUICK SKYLARK			LX-4 Cpe	6134	6195	Rgcy Sedan	8498	8581
Cust Sdn	5745	5802	LX-4 Cpe	4945	4994	87 PLYMOUTH HORIZON		
87 BUICK SOMERSET REGAL			87 FORD TAURUS			Htchbk 5 Dr	4165	4267
Coupe	6973	7041	GL Sdn 4 Dr	7514	7589	86 PLYMOUTH HORIZON		
87 BUICK RIVIERA			87 FORD TEMPO			Htchbk 4 Dr	3178	3208
Coupe	10,564	10,669	GL Sdn 4 Dr	5378	5432	87 PLYMOUTH RELIANT		
86 BUICK RIVIERA			86 FORD TEMPO			Sedan	5141	5193
Coupe	9212	9305	GL Sdn 4 Dr	4262	4303	86 PLYMOUTH RELIANT		
87 BUICK LE SABRE			86 FORD LTD			Sedan	3996	4035
Cust Sdn	7215	7286	Sdn	4385	4431	87 PLYMOUTH CARAVELLE		
87 CADILLAC DE VILLE			87 FORD CROWN VIC			SE Sedan	5931	5990
Cpe	13,487	13,621	Sdn	9366	9459	87 PLYMOUTH GRAN FURY		
Sdn	13,654	13,790	86 FORD CROWN VIC			Salon Sedan	5818	5877
86 CADILLAC DE VILLE			Sdn	7745	7823	86 PLYMOUTH GRAN FURY		
Cpe	10,811	10,921	87 FORD THUNDERBIRD			Salon Sedan	4736	4787
Sdn	10,953	11,064	Cpe	8253	8335	87 PONTIAC SUNBIRD		
87 CADILLAC SEVILLE			86 FORD THUNDERBIRD			SE Coupe	5417	5471
Sdn	14,959	15,109	Cpe	6627	6693	Sedan	5335	5387
86 CADILLAC SEVILLE			87 LINCOLN CONTINENTAL			86 PONTIAC SUNBIRD		
Sdn	13,545	13,680	Sdn	15,246	15,399	SE Coupe	4466	4509
87 CHEVY CAMARO			Town Car Sdn	13,864	14,003	Sedan	4429	4474
Cpe	7215	7287	Mark VII Cpe	14,957	15,107	87 PONTIAC 6000		
86 CHEVY CAMARO			86 LINCOLN CONTINENTAL			Coupe	6724	6791
Cpe	6154	6216	Sdn	12,591	12,717	Sedan	6803	6870
87 CHEVY CAVALIER			Town Car Sdn	11,532	11,648	86 PONTIAC 6000		
Sdn	5170	5221	Mark VII Cpe	12,348	12,471	Coupe	5291	5344
86 CHEVY CAVALIER			87 MERCURY COUGAR			Sedan	5353	5408
Sdn	4179	4222	LS Cpe	8668	8755	87 PONTIAC GRAND AM		
87 CHEVY CELEBRITY			86 MERCURY COUGAR			Sedan	7196	7268
Sdn	6457	6521	LS Cpe	7349	7422	87 PONTIAC FIREBIRD		
86 CHEVY CELEBRITY			87 MERCURY TOPAZ			Coupe	6232	6293
Sdn	5076	5127	GS Sdn 4 Dr	5415	5468	Sedan	7294	7365
87 CHEVY CAPRICE			86 MERCURY TOPAZ			86 PONTIAC FIREBIRD		
Sdn	7354	7426	GS Sdn 4 Dr	4329	4372	Coupe	6232	6293
87 CHEVY CORSICA			86 MERCURY MARQUIS			87 PONTIAC BONNEVILLE		
Sdn	6400	6464	Sdn	4467	4512	Sedan	8899	8990
87 CHEVY BERETTA			87 MERCURY GRAND MARQUIS			86 PONTIAC BONNEVILLE		
Cpe	6896	6965	Sdn GS	9892	9991	Sedan	5978	6038
87 CHRYSLER LE BARON			86 MERCURY GRAND MARQUIS			87 PONTIAC GRAND PRIX		
Sdn	6380	6443	Sdn	8368	8452	Coupe	7982	8062
86 CHRYSLER LE BARON			87 NISSAN SENTRA			86 PONTIAC GRAND PRIX		
Cpe	5123	5174	Sedan 2 Dr	4360	4403	Coupe	6432	6497
Sdn	5174	5226	87 NISSAN STANZA			87 TOYOTA COROLLA		
87 CHRYSLER FIFTH AVENUE			E Ntch 4 Dr	6915	6984	Sedan 4 Dr Deluxe	8049	8108
Sdn	9686	9781	87 NISSAN MAXIMA			87 TOYOTA CAMRY		
86 CHRYSLER FIFTH AVENUE			SE Sedan	10,465	10,569	Sedan 4 Dr Deluxe	8861	8949
Sdn	8070	8150	86 NISSAN SENTRA			87 TOYOTA CRESSIDA		
87 DODGE OMNI AMERICA			Std Sedan 2 Dr	3293	3326	Lux Sedan	12,941	13,069
Htchbk 5 Dr	4193	4235	86 NISSAN STANZA			86 TOYOTA COROLLA		
86 DODGE OMNI			GL Ntch 4 Dr	5633	5689	Sedan 4 Dr Deluxe	4996	5047
Htchbk 4 Dr	3184	3213	86 NISSAN MAXIMA			86 TOYOTA CAMRY		
87 DODGE ARIES			SE Sedan	8719	8807	Sedan 4 Dr Deluxe	6722	6789
Sdn	5137	5188	87 OLDS FIRENZA			86 TOYOTA CRESSIDA		
86 DODGE ARIES			Sedan	5617	5673	Lux Sedan	10,062	10,162
Sdn	4013	4053	86 OLDS FIRENZA			87 VOLKSWAGEN JETTA		
87 DODGE DIPLOMAT			Sedan	4527	4571	Sedan 4 Dr	6876	6945
Sin Sdn	5814	5872	87 OLDS CIERA			86 VOLKSWAGEN JETTA		
86 DODGE DIPLOMAT			S Coupe	7100	7170	Sedan 4 Dr	5940	5999
Sin Sdn	4705	4754	Sedan	7182	7253			
87 DODGE 600			86 OLDS CIERA					
Sdn	5992	6052	LS Coupe	5588	5644			
			LS Sedan	5656	5712			
			87 OLDS CALAIS					
			Sedan	6966	7035			

CALENDAR

MARCH

2-5—Truck Renting and Leasing Association, Annual Convention, Ritz-Carlton Hotel, Naples, FL. Information: (202) 775-4859.

3-5—The National Truck Equipment Association, Ballys Hotel, Reno, NV. Information: (800) 321-1988.

5-8—Consumer Bankers Association's 1989 Automobile Finance Conference, Hyatt Regency Westshore, Tampa, FL. Information: (703) 276-1750.

12-15—The Limousine & Chauffeur Show, Baltimore Convention Center, Baltimore, MD. Information: (213) 376-8788 ext. 77.

12-16—The American Car Rental Association Annual Convention, The Fairmont Hotel, New Orleans, LA. Information: (202) 223-2118.

APRIL

13—The National Association of Fleet Resale Dealers' Used Car Seminar, The Marriott Marquis, New York, NY. Information: (213) 838-3168.

13-15—Automotive Fleet & Leasing Association's 21st Annual Conference, Sheraton Center, New York, NY. Information: (213) 376-8788 ext. 77.

16-19—National Association of Fleet Administrators' 32nd Annual Conference and Fleet Information Fair, New York Hilton, New York, NY. Information: (212) 484-3774.

MAY

2-7—The National Vehicle Leasing Association's National Conference, The Marriott Hotel, San Diego, CA. Information: (213) 838-3170.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Anchorage, AK	140.5c	104.7c
Birmingham, AL	116.4	83.9
Phoenix, AZ	131.2	85.6
Santa Ana, CA	147.9	84.4
Glenwood Springs, CO	134.5	113.9
Washington, DC	139.1	98.9
Jacksonville, FL	136.2	90.2
Des Moines, IA	142.0	90.0
Louisville, KY	127.2	95.9
Jefferson City, MO	92.4	80.9
Charlotte, NC	126.9	99.9
Brooklyn, NY	110.9	96.9
Columbus, OH	129.2	88.9
Portland, OR	102.9	N/A
Dallas, TX	134.2	90.7

Survey conducted during the first five working days of February 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

special
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\$35

FACT BOOK

Statistics
Manufacturers
Fleet Lessors
Retail & Other Lessors
Rental
Dealers

automotive FLEET®

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Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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ABP

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BPA

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1. statistics

Fleet Figures by Type and Size as of 1/1/89

Type of Fleet	CARS			Total
	Leased or Managed	Company- Owned	Employee- Owned	
Businesses with 25 or More Cars	2,200,000	235,000	425,000	2,860,000
Businesses with 10 to 24 Cars	348,000	135,000	336,000	819,000
Other				
Government (Federal, state, county, and local.)	101,000	442,000	—	543,000
Utilities	62,000	491,000	—	553,000
Police	5,000	237,000	—	242,000
Taxi	15,000	129,000	—	144,000
Daily Rental	82,000	788,000	—	870,000
Fleet Total	2,813,000	2,457,000	761,000	6,031,000
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	2,160,000	—	—	2,160,000

INDUSTRY TOTAL	4,873,000	2,457,000	761,000	8,091,000
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TRUCKS — CLASS I, II, AND III

Type of Fleet	Leased or Managed	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, con- struction, plumbing, heating, food distribution, pest control, cable TV, etc.)	648,000	266,000	914,000
Businesses with 10 to 24 Light Trucks	173,000	88,000	261,000
Utilities	63,000	530,000	593,000
Government (Federal, state, county, and local.)	44,000	205,000	249,000
Other (Police, taxi, daily rental, etc.)	6,000	46,000	53,000
TOTAL	934,000	1,135,000	2,069,000

Car Fleet Registrations¹ By Month And Year

Totals include all fleets of 10 or more units.

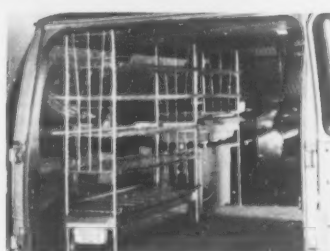
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
JAN	136,778	117,135	110,666	93,700	100,500	141,669	158,782	181,524	188,000	178,400
FEB	118,112	97,789	100,205	78,300	91,200	142,006	142,643	162,615	159,100	185,500
MAR	127,114	118,773	108,836	84,500	105,800	136,526	162,472	164,697	165,300	186,200
APR	127,626	113,690	102,059	96,900	93,800	142,199	146,644	156,141	154,100	154,300
MAY	129,908	105,421	113,894	104,800	100,800	139,114	145,063	155,968	158,700	169,800
JUN	126,107	104,894	124,838	117,700	137,200	156,445	163,165	194,567	191,400	224,000
JUL	112,889	83,827	94,546	95,700	101,400	131,377	129,988	151,395	149,800	167,600
AUG	82,593	65,761	70,411	66,800	84,300	100,845	206,597	108,112	107,800	135,300
SEP	37,708	58,540	80,102	65,900	88,600	123,995	132,383	90,078	92,900	121,700
OCT	96,414	82,576	82,802	81,400	111,100	133,247	156,727	122,717	135,400	145,700
NOV	104,463	128,626	111,798	110,900	136,700	153,865	169,024	165,194	155,900	165,900
DEC	160,894	160,800	117,100	138,600	150,000	136,481	196,497	226,100	178,600	210,000 ²
Total	1,360,606	1,237,832	1,217,257	1,135,200	1,301,400	1,637,769	1,909,985	1,879,108	1,837,000	2,044,400

¹Includes all government registrations

²December estimated

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New Fleet Vehicles Registered

CARS	On all accounts buying 10 or more new units each year.								In Thousands	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 ²
Renting/Leasing	1,030	887	895	841	1,014	1,251	1,590	1,594	1,595	1,721
Commercial	211	207	215	185	194	217	206	176	157	185
Government ¹	89	83	73	71	66	79	79	81	73	84
TOTAL	1,330	1,177	1,183	1,097	1,274	1,547	1,875	1,851	1,825	1,990

TRUCKS	On all accounts buying 10 or more new units each year								In Thousands	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 ²
Renting/Leasing	226	181	150	150	160	281	435	411	405	459
Commercial	246	199	182	147	144	207	225	203	210	220
Government ¹	86	88	70	67	66	78	95	103	93	99
TOTAL	558	468	402	364	370	566	755	717	708	778

COMBINED CAR and TRUCKS	On all accounts buying 10 or more new units each year								In Thousands	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 ²
Renting/Leasing	1,256	1,068	1,045	991	1,174	1,532	2,025	2,005	2,000	2,180
Commercial	457	406	397	332	338	424	431	379	367	405
Government ¹	175	171	143	138	132	157	174	184	166	183
TOTAL	1,888	1,645	1,585	1,461	1,644	2,113	2,630	2,568	2,533	2,768

¹Excludes Federal Government

²Month of December registrations are estimated.

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U.S. CARS IN FLEETS BY TYPE OF BUSINESS (Owned and Leased)

TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Salesman Owned.....	348	345	341	340	340	344	348	420	410	425
Company Owned.....	215	222	226	228	224	232	226	260	252	235
Leased by Companies (By Types of Lease)										
Finance & Management.....	1,580	1,588	1,617	1,525	1,553	1,545	1,630	1,600	1,632	1,893
Partial/Full Maintenance.....	184	234	230	319	315	313	352	305	313	161
Net/Fixed.....	121	146	139	136	134	156	168	145	148	146
TOTAL Fleet Leased.....	1,885	1,968	1,986	2,000*	2,060*	2,095*	2,150	2,050	2,093	2,200
Business Fleets—10-24 cars										
Owned.....	470	458	452	450	448	452	452	480	475	481
Leased.....	256	266	282	288	293	297	308	320	334	348
Individually Leased.....	1,690	1,708	1,713	1,645	1,653	1,657	1,800	1,975	2,098	2,160
Other Fleets										
Government.....	645	651	649	500	500	528	528	535	538	543
Utilities.....	529	532	537	530	533	540	540	545	550	553
Police.....	291	288	284	223	221	228	233	238	240	242
Taxi.....	207	205	198	141	139	140	140	143	144	144
Daily Rental.....	462	500	462	457	466	755*	760	790	800	870
Driver School.....	21	20	19	18	18	—**				
TOTAL.....	2,155	2,196	2,149	1,869	1,877	2,191	2,201	2,251	2,272	2,352

NOTE: Number of Cars in

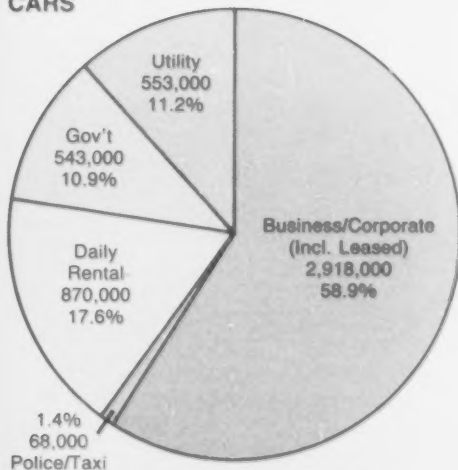
Fleets of 4 or More..... 10,428 10,433 10,436 10,076 10,400 10,475 10,508 10,560 10,578 10,597

Source: Automotive Fleet Research Department

* Adjustment with new data ** Combined with Business Fleets

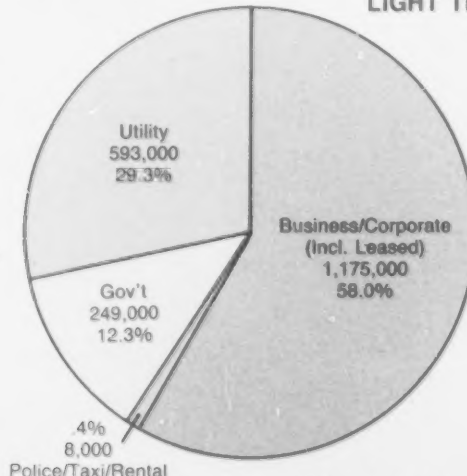
COMPOSITION OF THE AUTOMOTIVE FLEET FLEET/LEASING MARKET

CARS



TOTAL: 4,952,000
Avg. Annual Mileage — 27,500
Avg. Trade-in Time 32.0 mos.

LIGHT TRUCKS/VANS



TOTAL: 2,025,000
Avg. Annual Mileage — 18,500
Avg. Trade-in Time — 60.5 mos.

1988-Model Year Registrations

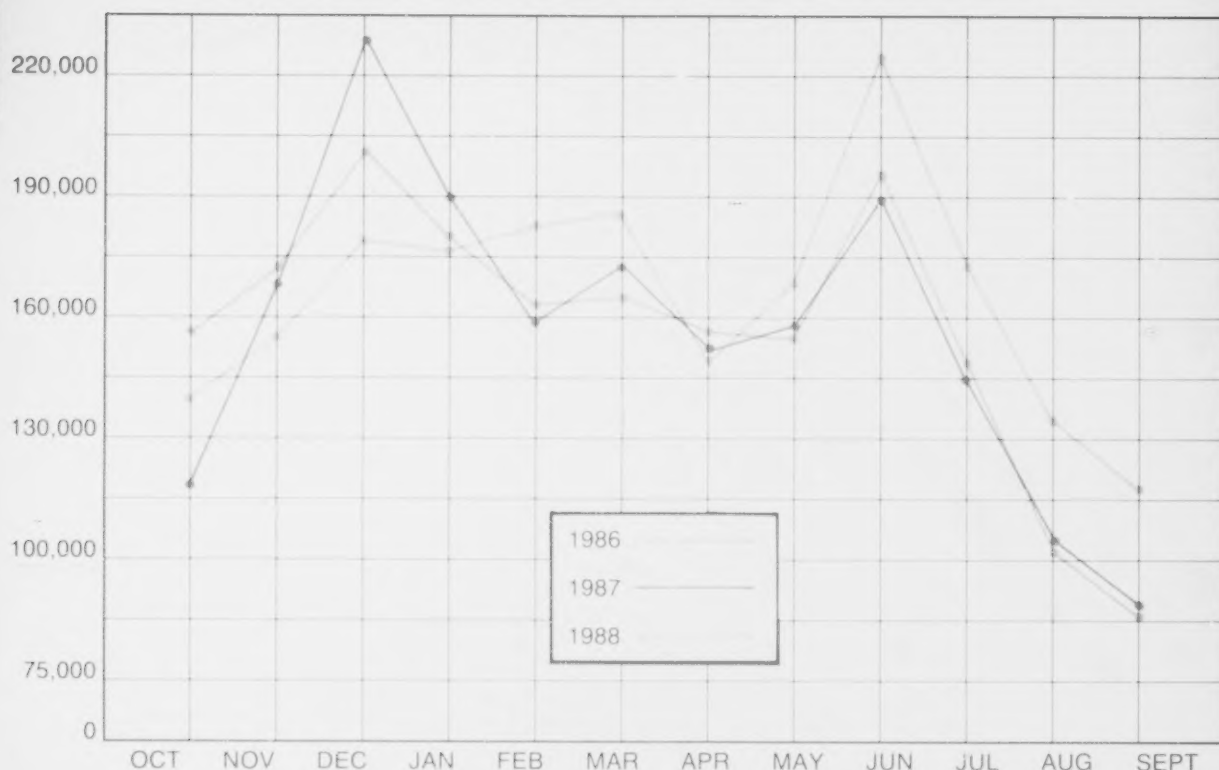
Fleet vs. Retail

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
SUBCOMPACT			
Alliance	7,731	130	1.6%
Cavalier	226,696	72,095	31.8
Charger	1,989	10	0.5
Chevette	635	164	25.8
Colt	80,121	1,218	1.5
Encore	378	—	0
Escort/EXP	422,341	41,682	9.9
Festiva	63,660	4,006	6.3
Fiero	25,846	982	3.8
Firenza	9,344	3,548	38.0
Horizon	55,849	5,403	9.7
LeMans	50,464	5,804	11.5
Mustang	188,241	20,907	11.1
Nova/Geo Prizm	93,368	5,870	6.3
Omni	53,143	5,000	9.4
Probe	37,671	8,935	23.7
Skyhawk	26,898	3,154	11.7
Spectrum	69,876	5,058	7.2
Sprint/Geo Metro	45,105	10,798	23.9
Summit	1,264	101	7.9
Sunbird	63,281	12,458	19.7
Tracer/Lynx	54,008	8,661	16.0
Turismo	2,217	26	1.2
1000	514	38	7.4
Total Subcompact	1,580,640	216,048	13.6%
COMPACT			
Aries	104,629	35,242	33.7%
Calais	88,960	11,488	12.9
Camaro	89,529	5,229	5.8
Conquest	9,659	70	0.7
Corsica/Beretta	250,088	110,902	44.3
Daytona	65,454	2,357	3.6
Eagle	2,845	73	2.5
Firebird	54,402	3,488	6.4
Grand Am	173,937	43,394	24.9
Lancer	11,516	1,158	10.1
LeBaron GTS	17,982	2,269	12.6
Medallion	15,324	40	0.2
Premier	28,382	801	2.8
Reliant	110,553	34,662	31.4
Shadow	80,944	35,176	43.5
Sundance	78,951	30,348	38.4
Somerset/Skylark	53,587	5,949	11.1
Tempo	303,919	87,650	28.8
Topaz	53,547	21,309	39.8
Vista	19,788	183	0.9
Total Compact	1,613,996	431,788	26.7%

Note: Import share of fleet is 18.5%
Domestic share of total fleet is 81.5%

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
INTERMEDIATE			
600	19,679	170	0.9%
6000	63,542	39,708	62.5
Bonneville	81,297	35,528	43.7
Caravelle	19,118	9,600	50.2
Celebrity	175,663	82,926	47.2
Century	100,116	26,814	26.8
Cougar	93,778	17,540	18.7
Cutlass Ciera	185,908	46,593	25.1
Cutlass Supreme	81,202	12,938	15.9
Dynasty	56,697	23,598	41.6
Grand Prix	55,536	14,166	25.5
LeBaron-KCV	27,931	6,614	23.7
LeBaron Coupe	63,672	5,129	8.1
LeBaron Convertible	35,577	6,099	17.1
Monte Carlo	41,393	1,720	4.2
New Yorker (E Body)	21,563	10,522	48.8
New Yorker (C Body)	22,085	6,390	28.9
Regal	94,210	18,868	20.0
Sable	76,917	41,253	53.6
Taurus	468,378	158,200	33.8
Thunderbird	154,602	29,671	19.2
Total Intermediate	1,938,846	594,051	30.6%
STANDARD			
Caprice	105,004	58,637	55.8%
Crown Victoria	151,638	38,636	25.5
Delta 88	117,266	39,787	33.9
Diplomat	19,582	11,809	60.3
Fifth Avenue	48,106	16,180	33.6
Gran Fury	11,046	8,370	75.8
Grand Marquis	101,942	12,964	12.7
LeSabre	108,530	29,638	27.3
Total Standard	663,114	216,021	32.5%
LUXURY			
Allante	2,165	1,179	54.4%
98	62,839	12,244	19.5
Cimarron	6,829	336	4.9
Continental/Mark VII			
Town Car/Mercur			
XR4Ti	132,195	62,800	47.5
Corvette	20,731	3,767	18.2
DeVille/			
Fleetwood/60SP	113,172	33,090	29.2
Eldorado	25,868	2,702	10.4
Electra	72,176	16,328	22.6
Fleetwood Brougham	39,973	9,565	23.9
New Yorker Landau	39,413	4,575	11.6
Reatta	1,991	323	16.2
Riviera	7,316	2,315	31.6
Seville	12,334	8,956	72.6
Toronado	13,174	2,883	21.9
Total Luxury	550,166	161,063	29.2%
Total Domestic	6,346,762	1,618,971	25.5%
Total Import	3,099,467	368,013	11.8%
Total Industry	9,446,179	1,986,984	21.0%

Historic Fleet Registrations By Month & Model Year



Capitol Ford, Inc.

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and the World.*

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Ron Freeman
Vice President
National Fleet Director

Capitol Ford, Inc.

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(1/1/89)

LEASING & RENTAL: Past Growth & Future Projections

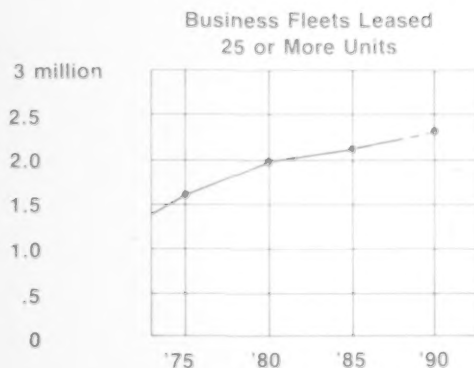
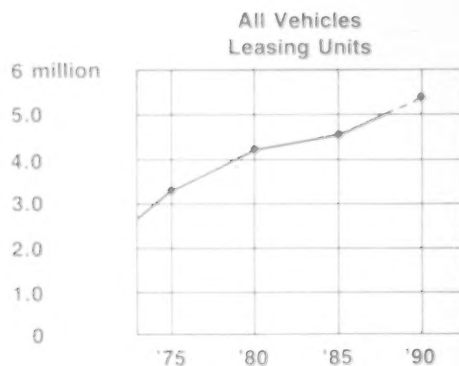
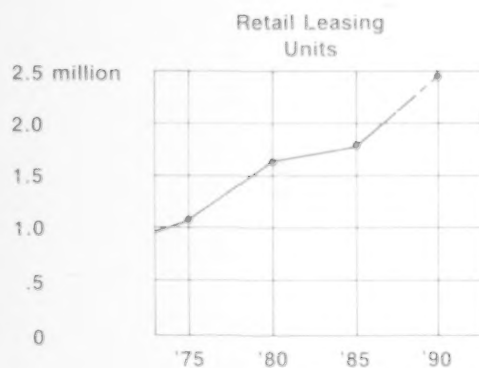
LEASED SEGMENT	1975		1980		1985		1988		1990 (est.)	
	Units	\$ Rev.	Units	\$ Rev.	Units	\$ Rev.	Units	\$ Rev.	Units	\$ Rev.
(000)	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions
Business Fleets + 25 Other* Incl.	1,666		1,968		2,150		2,200		2,300	
Bus. Flts. 4-24	263		282		308		348		500	
Retail or Individual	1,072		1,708		1,800		2,225		2,500	
Total Cars Fleet Leased	3,001	\$ 9,100	3,958	\$18,900	4,258	\$27,450	4,773	\$34,000	5,300	\$41,000
Truck Leasing	735	\$4,200	800	\$7,300	878	\$10,000	915	\$11,000	930	\$14,000
Total Vehicle Leasing	3,985	\$13,300	5,000	\$26,200	5,374	\$37,450	4,770	\$41,000	6,330	\$56,000

RENTAL SEGMENT

Car Rental	355	\$ 1,400	500	\$ 2,800	760	\$ 4,600	870	\$ 6,700	900	\$ 7,100
Truck Rental (all G V W s)	160	\$ 1,000	175	\$ 2,300	200	\$ 3,400	212	\$ 3,900	230	\$ 4,600
Total Vehicle Rental	515	\$ 2,400	675	\$ 5,100	960	\$ 8,000	1,082	\$10,600	1,130	\$11,700

*Other includes all 50+ % non-personal use regardless of registration

SOURCE: Automotive Fleet Research Dept. — Copyrighted 1989



Tracking the Top 10 Fleet Lessors

Total — US Vehicles/Year

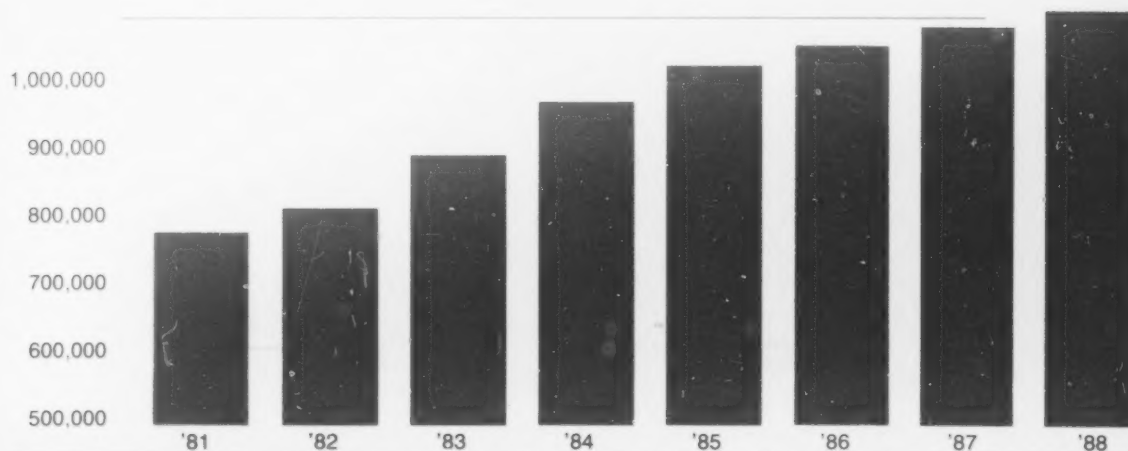
Lessor	1981	1982	1983	1984	1985	1986	1987	1988
GE Capital Fleet Services	—	—	—	—	—	—	420,000 ¹	400,000
(Gelco*)	(215,000)	(215,000)	(235,000)	(267,000)	268,000	(270,000)	—	—
(D&K*)	(40,000)	(46,000)	(80,000)	(80,000)	(84,000)	(100,000)	—	—
PHH	185,000	185,000	200,000	200,000	225,000	275,000	290,000	313,000
(Avis**)	(44,000)	(44,000)	(44,500)	(44,500)	(48,000)	—	—	—
Wheels	70,000	70,000	70,000	80,000	90,000	100,000	100,000	105,000
Lend Lease	32,500	37,500	42,500	50,000	60,000	58,000	85,000	91,000
Lease Plan USA	—	—	—	—	—	—	70,000	80,000
McCullagh	75,000	75,000	75,000	80,000	80,000	80,000	80,000	80,000
ARI	35,000	35,000	50,000	65,000	65,000	70,000	75,000	75,000
U.S. Fleet Leasing	35,000	45,000	45,000	50,000	50,000	50,000	68,000	75,000
(Hertz)	(40,000)	(45,000)	(50,000)	(50,000)	(50,000)	***	—	—
Associates	13,000	13,000	13,000	22,000	24,000	27,000	41,600	45,800
LMV	15,000	17,000	17,000	20,000	24,000	33,000	38,000	45,300
Top 10 Total	799,500	827,500	922,000	1,008,500	1,068,000	1,107,925	1,267,600	1,310,100

*Purchased by GE Capital in 1987 **Purchased by PHH in 1986 ***Purchased by USFL in 1986

¹GE Capital Fleet Services fleet total also includes Kerr Leasing, which was acquired in 1984.

The "Big" Get "Bigger"

Number of Vehicles Among Top 10 Lessors



Sources: Automotive Fleet Research Dept.

Index of Leading Lessors (Rentals not included)

(Data supplied by individual lessors except where indicated)

Rank	FLEET LESSORS	No. Cars	No. Trucks	Total Vehicles
1.	GE Capital Fleet Services	246,000	154,000	400,000
2.	PHH FleetAmerica	180,000	98,000	313,000
	Avis (owned by PHH)	32,000*	3,000*	
3.	Wheels	73,500	31,500	105,000
4.	Lend Lease	67,000	24,000	91,000
5.	Lease Plan USA	62,500	17,500	80,000
6.	McCullagh	60,000	20,000	80,000
7.	ARI	50,000	25,000	75,000
8.	U.S. Fleet Leasing	55,000	20,000	75,000
9.	Associates	23,800	22,000	45,800
10.	LMV	31,100	14,200	45,300
11.	Donlen	25,000	5,000	30,000
12.	Enterprise	22,000	4,000	26,000
13.	World Omni	18,000*	5,000*	23,000
14.	Transamerica Fleet Leasing	16,000*	3,000*	19,000
15.	Mike Albert	15,000	2,200	17,200
16.	Fleetmark	13,000	3,200	16,200
17.	Leasing Associates/Allstate	14,000	2,000	16,000
18.	Sovran	12,000*	3,500	15,500
19.	Emkay	14,000	3,500	17,500
20.	Auto Rental Corp.	7,500*	5,000*	12,500
	TOTALS	1,037,400	623,100	1,660,500

*Car & Truck Breakout, AF Estimate

TRUCK LESSORS

1.	Penske Truck Leasing	—	50,000	50,000
2.	Ryder	—	50,000	50,000

RETAIL & OTHER LESSORS

1.	Ford Dealers	400,000	250,000	650,000
2.	GE Capital Auto Lease, Inc.	189,000	36,000	225,000
3.	Security Pacific	42,000	10,300	52,300
4.	Bankers Leasing	16,000	24,000	40,000
5.	Executive	12,000	2,000	14,000

Top 30 Banks In Vehicle Leasing

Bank	Location	Leases in Portfolio at End of 1988	1987	1986
1. Marine Midland Bank	Buffalo, NY	141,000	99,235	38,000
2. Wells Fargo Bank	Oakland, CA	48,500	45,874	39,442
3. First Interstate Bank of California	Cerritos, CA	43,591	42,211	41,685
4. Fidelity Bank Lease Corp.	Wayne, PA	43,265	39,500	32,500
5. Security Pacific Corp.	Woodland Hills, CA	41,800	51,500	60,000
6. BancOne	Columbus, OH	36,582	36,811	34,271
7. Maryland National BankLease	Baltimore, MD	31,000	27,000	19,000
8. Manufacturers Hanover Wheelease, Inc.	Hicksville, NY	26,112	27,852	29,594
9. Citicorp Acceptance Co., Inc.	St. Louis, MO	24,183	13,413	7,500
10. BancNew England Leasing Group	Boston, MA	22,558	17,200	11,300
11. Trust Company Bank	Atlanta, GA	22,500*	21,656	18,060
12. Continental Bank Corp.	Ft. Washington, PA	21,250	15,000	10,300
13. Huntington National Bank	Columbus, OH	20,997	19,800	15,500
14. Union Bank-Stanchart Leasing	Orange, CA	19,800	18,500	16,163
15. First Pennsylvania Bank-Lease	Ft. Washington, PA	17,400	17,294	17,785
16. Chase Auto Leasing Corp.	Manhasset, NY	17,223	11,121	4,000
17. Key Capitol	Albany, NY	17,049	31,605	41,000
18. Cen Val Leasing	Pacheco, CA	16,000	14,794	13,646
19. National Bank of Detroit	Detroit, MI	14,575	16,368	15,236
20. National City Bank	Cleveland, OH	12,883	13,436	13,128
21. The Fifth Third Bank	Cincinnati, OH	11,582	12,795	13,242
22. Manufacturers National Bank of Detroit	Detroit, MI	11,300*	10,677	9,300
23. First Union National Bank	Charlotte, NC	10,389	7,871	8,021
24. Citizens and Southern Leasing	Atlanta, GA	9,248	10,300	10,730
25. Star Bank Corp.	Cincinnati, OH	8,727	7,000	6,000
26. Seafirst Bank	Seattle, WA	8,700	8,397	8,623
27. First National Bank of Atlanta	Atlanta, GA	7,943	8,000	7,968
28. Sanwa Bank of California	Monterey Park, CA	7,419	3,771	1,800
29. Dominion Bank	Roanoke, VA	6,756	8,066	7,650
30. Valley National Bank	Phoenix, AZ	6,104	5,280	4,935

Source: Automotive Fleet Research Department

*AF Estimate

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U.S. Daily-Rental Market Profile—1/1/89

Rank	Company	Number U.S. Locations	Number U.S. Cars (Incl. Licensees)	Percent Revenue Market Share	Estimated '88 Revenue (Millions)
Primarily Business/Leisure					
1.	Hertz	1,500	170,000	26.4%	\$1,500
2.	Avis	1,400	145,000	19.4%	1,100
3.	Budget	1,200	107,000	15.8%	900
4.	National	900	102,000	15.0%	850
5.	Alamo	100	55,000	7.0%	400
6.	Dollar	325	35,000	5.3%	300
7.	Thrifty	350	27,000	5.3%	300
8.	American Int'l	175	13,000	3.0%	170
9.	General	35	11,000	1.5%	85
10.	Value, Avon, Etc.	50	12,000	1.3%	75
		5,935	677,000	100.0%	\$5,680

Primarily Accident/Repair

1.	Enterprise	370	70,000	47.3%	310
2.	Agency	550	32,000	30.5%	200
3.	Snappy	235	18,000	15.3%	100
4.	Action	125	7,000	6.9%	45
		1,280	127,000	100.0%	\$655

U.S. Industry Totals		7,215	1,004,000	—	\$6,335
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Local & Repair Major Factory Dealer Systems

1.	FRAC (Ford)	6,000	32,000	48.6%	\$ 175
2.	GM (Not organized)	9,000	22,000	34.7%	125
3.	DRAC (Chrysler)	4,000	12,000	16.7%	60
		19,000	66,000	100.0%	\$360

Avg. Mo. Revenue/Car

Business/Leisure \$699 / Car / Mo.

Accident/Repair \$430 / Car / Mo.

Source: Automotive Fleet Research Department. Copyrighted 1989

Size and Model Cars Purchased By Major Leasing Companies 1988 vs. 1987

SIZE AND MODEL (In Percent)

Luxury	Standard	Intermediate	Compact	Subcompact	Imports
Electra/Park Ave. Riviera Coupe de Ville Sedan de Ville Fleetwood Eldorado Coupe Seville Sedan Continental Mark VII Town Car Olds 98 Toronado Corvette Allante XR4Ti Scorpio	LeSabre Caprice Diplomat LTD Crown Vic Grand Marquis Delta 88 Fifth Ave.	Regal Century Monte Carlo Celebrity LeBaron Thunderbird Cougar Cutlass Supreme Cutlass Ciera 6000 Grand Prix Bonneville New Yorker Taurus Sable Premier Dynasty	Eagle Skylark Aries Laser Daytona Topaz Calais Reliant Camaro LeBaron GTS Tempo Somerset Regal Grand Am Firebird Conquest/Vista Lancer Golf Shadow Sundance Beretta Corsica Medallion	Alliance Skyhawk Cavalier Omni Colt Escort/EXP Capri Horizon Fiero Mustang Sprint Spectrum Nova Sunbird Tracer LeMans	All Models

COMPANY	YEAR	LUXURY	STANDARD	INTER-MEDIATE	COMPACT	SUB-COMPACT	IMPORTS
ASSOCIATES	1988	5.8	17.7	62.0	9.3	2.1	3.1
	1987	2.5	11.2	68.8	12.2	3.1	2.2
ARI	1988	6.0	10.0	57.0	19.0	6.4	1.6
	1987	3.5	8.6	64.4	7.1	15.3	1.1
DONLEN	1988	4.4	11.8	66.7	12.0	3.6	1.5
	1987	2.6	12.6	68.9	11.1	3.5	1.3
ENTERPRISE	1988	6.2	10.1	74.5	6.4	2.5	0.3
	1987	5.3	12.4	73.4	5.9	2.9	0.1
GE CAPITAL FLEET SERVICES	1988	1.4	11.9	61.5	15.9	6.7	2.6
	1987	1.5	9.0	60.7	15.5	9.9	3.4
LEASE PLAN	1988	2.0	7.0	70.4	14.1	4.2	2.3
	1987	1.7	8.1	68.7	14.3	5.7	1.5
LEND LEASE CARS	1988	5.1	12.7	68.8	7.1	3.5	2.1
	1987	4.4	10.3	68.7	6.2	8.3	2.1
LMV	1988	1.0	10.5	66.1	11.7	8.5	2.2
	1987	1.0	10.0	66.0	12.0	9.0	2.0
MCCULLAGH	1988	6.7	15.0	57.8	10.0	8.7	1.8
	1987	5.0	16.2	64.5	9.6	2.7	2.0
PHH FLEET AMERICA	1988	2.5	8.5	64.5	18.8	5.0	0.9
	1987	1.7	6.8	65.9	18.1	6.3	1.2
U.S. FLEET LEASING	1988	5.0	15.3	53.4	13.9	1.1	1.3
	1987	6.0	12.0	68.0	9.0	2.0	3.0
WHEELS	1988	2.0	7.5	75.9	8.8	4.6	1.2
	1987	0.6	10.3	77.7	7.5	3.1	0.8

Fleet-Car Operating Costs by Region

1 = New England 2 = Mid East 3 = Great Lakes 4 = Southeast 5 = Plains 6 = Southwest 7 = Rocky Mountains 8 = Far West



Regional Code	Running Expenses \$/mile	Standing Expenses \$/month
1	6.62	340.76
2	7.40	333.02
3	6.30	328.06
4	6.70	333.00
5	6.29	343.88
6	6.61	333.17
7	7.17	335.47
8	7.00	324.67
USA	6.75	332.59

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as insurance and license fees. Data covers leased cars and company-owned cars, from December 1988 U.S. Corporate Fleet Performance Report.

Source: PHH FleetAmerica, Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

NAFA Personal-Use and Used-Car Data

Reimbursement For Use Of Personal Car Mileage Only (No Assigned Fleet Car) U.S. Commercial Fleets

Amount	1983	1984	1985	1986	1987
15¢ or less	2%	1%	1%	Industry average	Industry average
16-19¢	11%	10%	5%	20.6¢	21.5¢
20¢	72%	56%	42%		
20½¢		22%	22%		
21-24¢	12%	10%	28%		
25¢ or more	3%	1%	2%		

(*Not broken out in those surveys — included in "more than 20 cents a mile" category.)

Note: The 1987 and 1988 surveys present only the industry median averages for 1986 and 1987 with no break down by cents category.

Reimbursement For Use Of Personal Car Mileage Only (Assigned Fleet Car Not in Service) U.S. Commercial Fleets

Amount	1983	1984	1985	1986	1987
15¢ or less	2%	1%	2%	Industry average	Industry average
16-19¢	9%	8%	5%	20.7¢	21.4¢
20¢	73%	56%	42%		
20½¢		23%	23%		
21-24¢	14%	9%	26%		
25¢ or more	3%	3%	2%		

(*Not computed in those surveys — included in "more than 20 cents a mile" category.)

Note: The 1987 and 1988 surveys present only the industry median averages for 1986 and 1987 with no break down by cents category.

Number of Model Year Cars Sold

	1987	1988
U.S. Commercial Fleets		All U.S. Fleets
1984 Model Year	23,404	9,566
1985 Model Year	11,716	5,806
1986 Model Year	4,837	20,156
1987 Model Year	NA	5,798
U.S. Government Fleets		
1984 Model Year	679	
1985 Model Year	123	
1986 Model Year	12	
1987 Model Year	NA	
U.S. Public Utilities Fleets		
1984 Model Year	207	
1985 Model Year	85	
1986 Model Year	33	
1987 Model Year	NA	

Average Age of Vehicles Sold

Months		
U.S. Commercial Fleets	31	32
U.S. Government Fleets	55	60
U.S. Public Utilities Fleets	61	61
Miles		
U.S. Commercial Fleets	64,356	64,540
U.S. Government Fleets	87,231	85,127
U.S. Public Utilities Fleets	81,362	86,286

Selling Methods Number of Cars Sold in Each Category

	1987	1988
U.S. Commercial Fleets		
Wholesaler/Auto Auction	26,367	28,800
Employee	15,023	14,449
Used Car Dealer	3,026	2,783
New Car Dealer (Trade-In)	3,250	2,336
Salvage/Other	3,743	4,429
U.S. Government Fleets		
Wholesaler/Auto Auction	3,291	9,363
Employee	21	28
Used Car Dealer	25	290
New Car Dealer (Trade-In)	80	73
Salvage/Other	84	9,137
U.S. Public Utilities Fleets		
Wholesaler/Auto Auction	1,803	2,996
Employee	438	172
Used Car Dealer	399	1,401
New Car Dealer (Trade-In)	26	28
Salvage/Other	84	214

NAFA's 1988 Survey of Operating Expenses

Automobile Average Cents/Mile Cost Per Vehicle (All Size Vehicles)

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,204	4.22¢	0.19¢	1.60¢	0.38¢	6.39¢
Service/Repair	2,229	4.47	0.25	1.63	0.38	6.72
Public Utility	1,242	3.99	0.77	1.93	0.41	7.89
Government	3,683	4.34	0.32	2.97	0.46	9.94
Law Enforcement	1,864	4.65	0.19	2.27	0.79	7.66
Other	2,269	4.45	0.33	2.47	0.24	7.53

Vans Average Cents/Mile Cost Per Vehicle (Mini- and Full-Size Vans)

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	2,542	6.09¢	0.42¢	2.43¢	0.50¢	9.11¢
Service/Repair	2,154	5.71	0.31	2.95	0.71	10.69
Public Utility	1,000	6.05	0.66	4.84	0.98	13.15
Government	1,707	6.60	0.33	4.39	0.53	14.25
Law Enforcement	1,600	4.50	0.50	2.50	0.50	7.50
Other	2,473	6.54	0.75	2.15	0.25	13.41

Light-Duty Trucks Average Cents/Mile Cost Per Vehicle

Primary Fleet Function	Average Monthly Mileage	Fuel	Oil	Maintenance and Repairs	Tires and Tire Repairs	Total*
Sales	1,920	7.61¢	0.23¢	2.99¢	0.84¢	11.31¢
Service/Repair	1,866	8.44	0.27	4.70	0.96	15.17
Public Utility	1,070	6.85	0.80	5.32	0.95	13.56
Government	1,946	5.69	0.37	5.19	0.85	13.67
Law Enforcement	1,350	6.00	0.30	3.00	0.70	9.93
Other	NA	NA	NA	NA	NA	NA

*When individual average costs are added, their total may not equal the total shown due to the fact that some respondents gave only Total Expenses and not expenses for each item.

NOTE

ONLY THE FOLLOWING PAGES OF THIS
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Cov. 1, Pgs. 2, 38, 40, 42,
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automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



LEASE VS. BUY



'89 MODEL BIG BUYS



50 YEARS AT WHEELS



FLEET MANAGER
COMPENSATION



TRUCK, BODY AND
EQUIPMENT SHOWCASE

and more...

Chesapeake & Potomac Siemens Corp. Texaco Inc. (Eastern) Mary Kay Cosmetics Suburban Reynolds American Home Products ConRail General Electric—Ind. Pow. Sara Lee Corp. Rockwell Corp. Wyeth-Ayerst Corp. U.S.G. Corp. James River Corp. of Virginia Gannett Supply Corp. Flo Inc. Fleming Companies Union Electric Co. Petrolane Inc. Combustion Engineering Inc. Automatic

TOP 100

SECOND

1000

Philip Morris Inc. General Electric—Ind. Pow. Texaco Inc. (Central) Warner Lambert Co. Philips Co. Inc. Ogden Allied Service Corp. Warner Lambert Co. Safety Kleen Corp. Pillsbury Co. American Co. Textron, Inc. Terminex, Int'l. Consolidated Freightways Nationwide Mutual Ins. Co. Schering-Insurance Co. Eaton Corp. Airborne Freight Corp. Sandoz, Inc. Johnson & Johnson Firestone Biomedical Lab, Inc. Household Finance Lorillard, Inc. Texaco, Inc. (Western) Fireman's Fund

TOP 2nd 100 COMMERCIAL FLEETS

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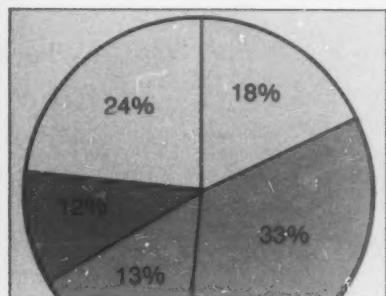
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



APRIL 1989
VOL. 28, NO. 6

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

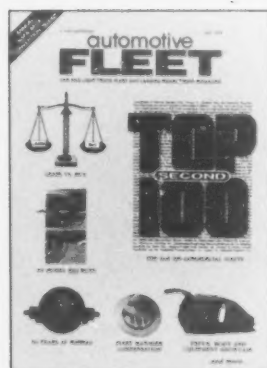
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COMPENSATION

Size of fleet, corporate title, and whether that fleet is in a private business, a utility, or a political subdivision are ruling factors when it comes to determining management pay, according to a new industry survey.

Average Fleet Salary Reaches \$41,000 in 1988 Survey

Figure 1

Fleet Management Responsibilities by Title

	Vice President	Director	Manager	Admin.	Others*
Develop Fleet Policies & Procedures	100%	100%	98%	100%	100%
Select New Vehicles	100%	92%	98%	93%	94%
Arrange for Disposal of Used Vehicles	100%	75%	89%	73%	76%
Project Annual Budget	100%	92%	87%	80%	76%
Authorize Maintenance/Repair	100%	42%	87%	80%	76%
Manage Preventive Maintenance Program	67%	58%	82%	67%	53%
Negotiate with Vendors	100%	92%	80%	73%	82%
Manage Car Rental Program	67%	17%	51%	60%	18%
Supervise Motor Pool	0%	8%	40%	27%	41%
Supervise Mechanics	67%	17%	38%	7%	29%
Supervise Van Pool	0%	8%	27%	20%	12%
Review Driver Expense Reports	33%	33%	24%	48%	18%

*Includes supervisors, superintendents, engineers, buyers, consultants, and analysts.

The "typical" fleet manager is a 43.8-year-old male who spends 69.4 percent of his

time as "manager" of 421 cars, has been in his job for 5.3 years, has a college education, and makes

\$41,100 a year.

According to the survey by Runzheimer International, 84 percent of

COMPENSATION

the respondents of the survey were men, only 16 percent women.

The highest average salary reported in the 1988 survey was \$62,500 for vice presidents. Fleet directors said they were paid an average of \$50,000. The most common title reported was manager where the average pay was \$45,000. Administrators averaged \$29,500. A

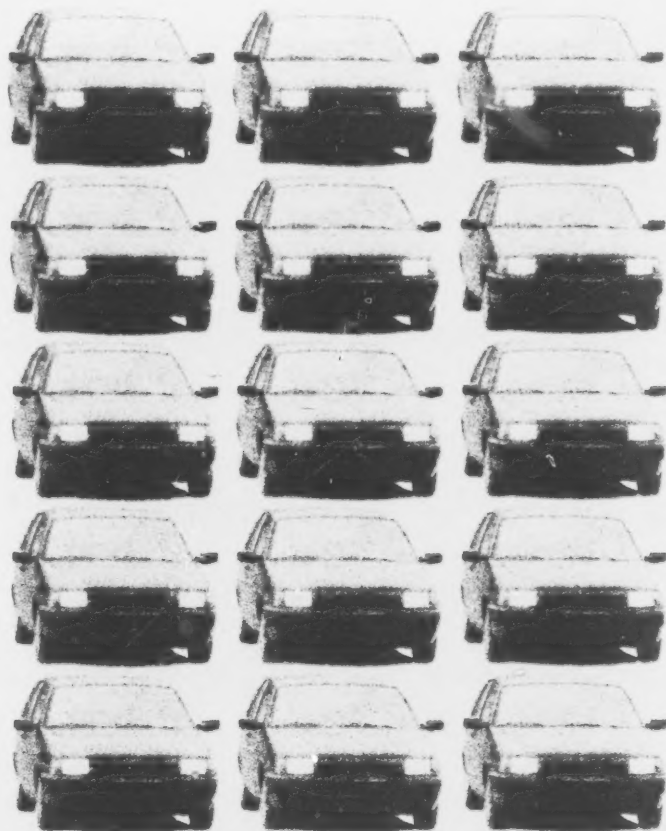
category of "other" lumped together the disparate titles of supervisors, superintendents, engineers, buyers, consultants, and analysts with an average annual pay of \$38,300.

Size of fleet often but not always counts with bosses setting pay, the survey indicates. Those with fewer than 100 vehicles to manage were

paid an average of \$37,000, however, more than the \$35,000 for those with 101 to 300 vehicles, probably due to wide-ranging duties that had little to do with fleet administration.

For those with fleets of 301 to 500 vehicles, pay averaged \$40,000; the same as for those with 501 to 1,000 vehicles. Those who managed fleets over 1,000 vehicles reported average pay of \$48,000 a year.

Fleet managers in the utility business, whether government or privately owned, earned more than those in private business or government. The utility fleet manager averaged \$51,500, compared with



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"Fleet managers in the utility business, whether government or privately owned, earned more than those in private business."

\$38,000 for business and \$37,500 for government.

Unfortunately, the survey does not compare pay with education. It does, however, indicate that 12 percent of the fleet managers who responded had advanced degrees, 50 percent had college degrees, 26 percent more had some college training, and 12 percent had only high school credentials.

Business management backgrounds appeared important with 33 percent of the survey respondents reporting this employment background; 12 percent stating their background was in automotive mechanics; seven percent indicating an engineering or fleet management

Circle 116 on Inquiry Card

COMPENSATION

Figure 2

**Average Annual Salary
by Type of Fleet**

Business	\$38,000
Utility	\$51,500
Government	\$37,500

Figure 3

**Average Salary of
Fleet Executives by Fleet Size**

Fewer than 100	\$37,000
101 - 300	\$35,000
301 - 500	\$40,000
501 - 1,000	\$40,000
More than 1,000	\$48,000

Figure 4

**Average Annual Salary
by Title**

Vice President	\$62,500
Director	\$50,000
Manager	\$45,000
Administrator	\$29,500
Others*	\$38,300

*Includes supervisors, superintendents, engineers, buyers, consultants, and analysts.

Source: Runzheimer

history, and one percent indicating a personnel management background.

Where is Fleet?

Fleet is managed by the "fleet department" most often in utility companies but by more general departments in business and government, the survey shows.

In the business category, 32

percent of respondents identified a service, operations or general administration department as the home of fleet management; two groups each of 17 percent reported their assigned department as either accounting/finance or specifically fleet management. The remaining categories were 15 percent transportation/traffic; nine percent purchasing, and 10 percent "other."

Government respondents identi-

fied general administration as the most prevalent department assignment for fleet (44 percent); a specific fleet department second (35 percent). The only other significant department assignment was transportation/traffic (13 percent).

Perhaps because utility fleets are more often comprised of larger, more complex and expensive large trucks, utilities tend to put fleet operations into its own department (and pay the manager more).

Most respondents reported a fleet management department assignment (47 percent); with a generalized administration department second (20 percent); transportation/traffic (13 percent), and "other" (13 percent).

Manager Preferred

All three business categories indicated a preference for calling the fleet manager the "manager."

That title was reported by 42 percent of the business category respondents; 40 percent of the government group and fully 74 percent of the utility respondents.

In business, the "administrator" category was second (25 percent) and Runzheimer attributes this to delegation to lower-level personnel because fleets are leased. The second title in government is "director" (20 percent) although the generalized "other" category had more respondents (33 percent). In utilities, the second reported title category was "other" (33 percent).

Duties Listed

The higher the title, the less time respondents say they spend on fleet duties.

Vice presidents say they devote 53.7 percent of their time to fleet duties; directors 63.3 percent; managers 72.7 percent; administrators 70.5 percent, and others (including supervisors, superintendents, engineers, consultants and analysts) 62.9 percent of their time on fleet duties. AP

SURVEY

When it comes time to dispose of used vehicles, where do fleet managers turn? This article summarizes a recent survey that posed this question, looks into some of the most effective disposal methods, and analyzes when each works best.

Options For Fleet Remarketing

Companies have a number of options to utilize when it comes to disposing of used fleet vehicles. In order to find out these options and get a better idea of how often each is used, and by whom, a survey was conducted in which 202 fleet managers were questioned regarding their companies' means of vehicle disposal. The average fleet size of the survey's respondents was 519 vehicles (Figure 1). The majority of the fleets managed by the respondents are owned by the companies (Figure 2).

The two most popular methods of vehicle disposal used by the respondents were remarketing through auctions (59 percent) and employee sales (57 percent). Among fleets that lease, returning the vehicles to the lessor is an option that is used 28 percent of the time (Figure 3), according to the results of the survey, which was conducted by Runzheimer International. Other options indicated by fleet managers included trading vehicles in towards the purchase of new ones (20 percent), selling used vehicles to wholesalers (nine percent) or through a sealed-bid process (nine percent), and retail sales (eight percent).

Auctions

Auctions are an effective way to quickly dispose of a large number

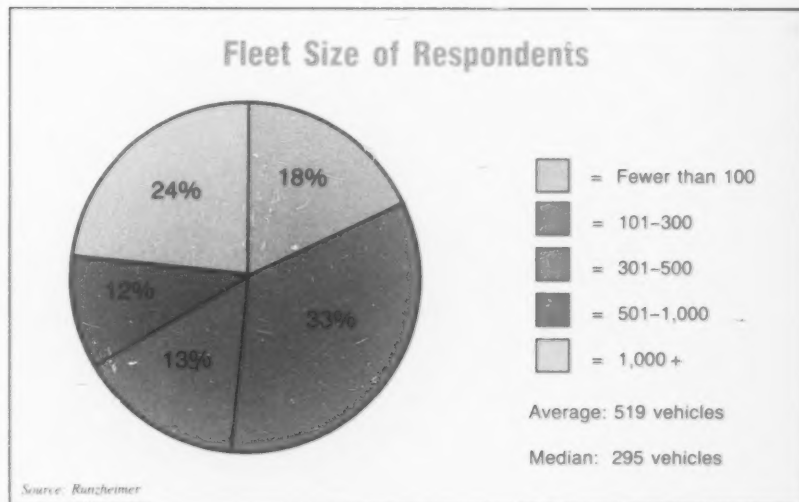


Figure 1

of vehicles, particularly if they are in average or below-average condition. According to a number of respondents, used vehicles command a better resale price at auctions as opposed to the trade-in process. Perhaps for this reason, auctions were the *primary* source of disposal for 41 percent of the respondents. (See Figure 4)

Employee Sales

Of the 57 percent of respondents who sold used fleet vehicles to employees, only 22 percent indicated the method was their primary means of disposal (Figure 4). Accord-

ing to responses from survey participants, this is due to a lack of interest shown by employees in purchasing vehicles from their employers. Selling to employees is, however, a cost-effective means of disposal. Although the company may sell the vehicle for less than its retail value on the used-car market, it usually brings more than the wholesale, trade-in, or, in the case of a leased vehicle, residual value.

Allowing employees to purchase used fleet vehicles can lead them to take better care of their cars. One respondent said, "We were able to motivate our drivers to better main-

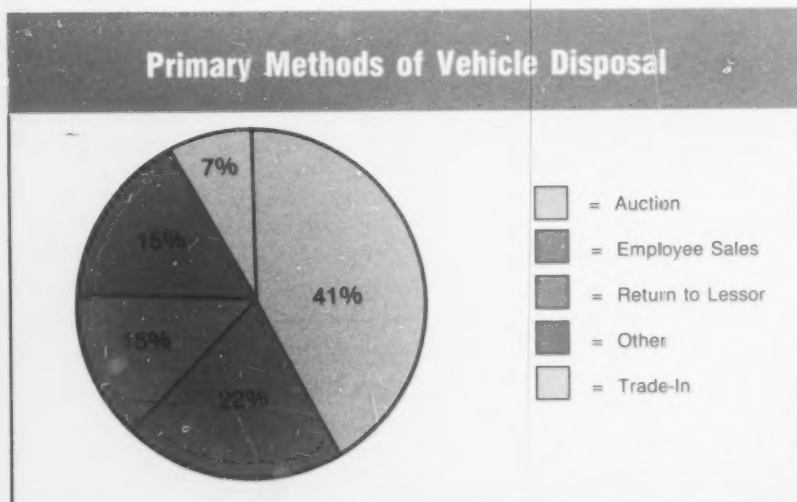
SURVEY

Type of Fleet Management*	
Company-Owned	80%
Leased	47%
*Multiple answers	

Figure 2

Disposal Options*	
METHOD	
Auction	59%
Employee Sales	57%
Return to Lessor	28%
Trade-In	20%
Sell to Wholesalers	9%
Sealed Bid	9%
Sell Directly to Public	8%
Other	4%
*Multiple answers	

Figure 3



Source for figures: Runzheimer

Figure 4

tain their vehicles when we offered them the option to purchase. In addition, we realize a better resale value when we sell to our employees."

Selling to employees has its downside, however. It generates more administrative work for the company; for owned vehicles, bills of sale, titles, and odometer certificates must be processed and retained. Also, implied warranties in some states extend the company's obligation to the employee who buys a used fleet vehicle, meaning the company may be liable for problems stemming from subpar repairs and maintenance.

Companies that sell vehicles to employees can also face subsequent internal problems. One respondent indicated that vehicles with excessive mileage often develop mechanical problems, creating resentment on the part of the purchasing employee. Another fleet manager who had similar experiences noted that upgrading initial vehicle selection and decreasing service intervals helped improve sales to employees because the vehicles were more attractive at the time of disposal.

Return to Lessor

Of the 28 percent of respondents who cited returns to the lessor as a means of disposal, only 15 percent indicated it was their primary method (Figure 4). In most leasing arrangements, vehicle disposal and used-car value are significant considerations. When a vehicle is returned to a lessor, the lessor takes over most of the administrative work. In an open-end lease, the lessee takes responsibility for the difference between anticipated and actual resale value at the time of disposal. Thus, fleet managers should be concerned with the time of year during which the vehicle is to be sold and the time it takes the lessor to dispose of the vehicle.

Trade-In and Wholesale

Trading in used fleet vehicles was the primary means of disposal for

Fleets That Increased the Use of One Method of Disposal During the Last Two Years

YES	NO
23%	77%
Method Respondents Increased Use of (of those that increased use of a disposal method)	
	Percent of Respondents
Employee Sales	37%
Auction	34%
Trade-In	5%
Return to Lessor	5%
Other	19%

Source: Runzheimer

Figure 5

only seven percent of the respondents, while selling to wholesalers, selling by sealed bid, and selling directly to the public were the primary sources of the respondents who comprised the remaining 15 percent.

Vehicle Disposal Trends

According to the results of the survey, 23 percent of the respondents have increased the use of a certain disposal method within the last two years (Figure 5). Remarketing used fleet vehicles through auctions and selling vehicles to employees were the two disposal methods gaining most in use. This indicates that some companies are remaining flexible in administering fleet disposal policies, especially when some methods prove to be more effective than others, such as auctions and employee sales.

When Vehicles Are Difficult To Sell

Key Factors Surrounding The Frequent Problem Areas In Vehicle Remarketing

The key to selling vehicles in used-car markets is determining which models sell well and which do not. Disposal methods must be decided on accordingly. Survey respondents identified some of the elements that separate vehicles which sell successfully in the used-car market from those that do not. All in all, five categories of "hard-to-dispose-of" vehicles were identified. Since these vehicles tend not to be sold to employees either, other means of disposal are suggested.

- **Special-purpose vehicles**, such as construction vehicles, cranes, police cars, and buses have a limited market and generally are not disposed of until they are

functionally or economically obsolete. Therefore, the best disposal methods for these vehicles are wholesalers and auctions.

- **High-mileage cars**, those with over 60,000 miles, are undesirable trade-ins because of high repair risk. Auctions, sealed bids, and wholesalers would probably be the best disposal bets.

- **Vehicles the public has rejected**, such as diesels, or those no longer manufactured, are undesirable on the used-car market. Cars that never sold well at introduction also fall into this category. Auctions and wholesalers are the recommended methods of disposal for such cars, and it is further recommended

that they be disposed of before they hit the 50,000-mile mark.

- **Models that are already in surplus on the used-car market**, such as the Escort, Omni, Horizon, and K-Car, tend not to have much trade-in value. Again, auctions and wholesalers are the recommended disposal methods.

- **Vehicles that are not equipped with what the retail market considers standard equipment**, such as automatic transmission, air conditioning, power steering and brakes, and AM/FM stereos, can be difficult to dispose. This category also includes mid-size cars with four-cylinder engines or full-sized cars with V-6 engines. Auctions are recommended.

STATISTICS

AF's 1st Annual Top Second 100

After ten years of developing our Top 100 list of the largest commercial fleets in corporate America we have extended our research to now identify the Top *Second* 100; or 101 to 200 for purists. It has been a monumental task for both lists since corporate mergers, centralization and decentralization, and new growth companies manifest changes in the lists almost daily.

We encountered a few problems that had surfaced ten years ago when our first compilation took place. Some companies were not familiar with the listing and were reluctant to cooperate initially. Our researchers found a way to develop the data through various alternative sources so this first-time effort at the Top *Second* 100 list may not include a few qualified firms but it is highly accurate and as complete as we could make it. We also uncovered

a handful of firms that actually qualified for our original Top 100 list mainly because of centralization or mergers of dual smaller fleets in the past. These will be integrated properly into the 1990 listings.

In comparing the two Top 100 lists it is evident that company ownership is stronger among the Top *Second* 100.

In order to qualify for the Top *Second* 100, a fleet must be part of a business/corporate entity that has centralized automotive control. Companies operating driver reimbursement programs for employee-owned vehicles are not listed.

Fleet size is verified by the *Automotive Fleet* Research Department either by phone or mail inquiry. Counted as part of a fleet's total vehicles are company-controlled cars and light trucks and vans under 14,000 GVW. Not counted are

lift trucks, trailers, or trucks larger than class 3. Approximately 150 large-fleet companies are selected from *AF's* circulation list to be recipients of the Top *Second* 100 survey questionnaire. In addition to fleet size, the survey's are used to determine whether a fleet is company-owned or fully- or partially-leased.

REPRINTS OF TOP 2nd 100

Reprints of this special 20-page section are available through *AF's* Reader Service Manager, 2512 Artesia Blvd., Redondo Beach, CA 90278, or by phoning (213) 376-8788, ext. 20.

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AUTOMOTIVE FLEET's TOP SECOND 100

Alphabetical Cross Reference

Company Name	Rank	Company Name	Rank	Company Name	Rank	Company Name	Rank
Airborne Freight Corp.	140	Eaton Corporation	139	Mary Kay Cosmetics	104	Schering-Plough Corp.	137
Alco Standard Corp.	155	Emerson Electric Co.	171	Metpath, Inc.	196	Siemens Corp.	102
Alexander & Alexander	151	E.R. Squibb & Sons, Inc.	135	Miles Laboratories	152	Siemens Inform. Sys. Inc.	178
Allstate Insurance Co.	138	Fireman's Fund	148	Moore Business Forms	160	St. Paul Fire & Marine Ins.	168
American Building Maint.	119	Firestone, Inc.	143	Nalco Chemical Co.	182	Suburban Propane	105
American Family Ins.	189	Fleming Companies, Inc.	130	National Linen Service	195	Syntex Labs	184
American Greetings	150	Flowers Industries, Inc.	129	Nationwide Mutual Ins.	123	S.C. Johnson & Sons	191
American Home Products	107	Gallo/Vintage Wine Co.	197	Nestle Foods Corp.	173	Tektronix, Inc.	167
American Int'l Realty Co.	166	Gannett Supply Corp.	128	North American Philips	173	Terminex, Int'l	121
Anheuser-Busch Co. Inc.	183	General Electric Ind. Pow.	109	Ogden Allied Serv. Corp.	115	Texaco, Inc. (Western)	147
Automatic Data Proc.	134	General Electric Med. Sys.	111	Ohio Casualty Ins. Co.	180	Texaco, Inc. (Eastern)	103
A.H. Robins Co. Inc.	194	Gen. Corp./General Fire	198	Oxy USA, Inc.	187	Texaco, Inc. (Central)	112
Bahcock-Wilcox Co.	177	Gerber Products Co.	200	Parker-Hannifin Corp.	192	Textron, Inc.	120
Beckman Instruments	190	Harcourt Brace Jovanovich	165	Perkin Elmer	188	The American Tobacco	193
Bell & Howell Co.	153	Hobart Corp.	149	Petrolane Inc.	132	The Quaker Oats Co.	170
Campbell Sales Co.	157	Household Finance	145	Phillips Med. Sys.	136	Thomas J. Lipton, Inc.	181
Chemlawn Corp.	176	I.C.I. Americas Inc.	114	Pickar Corp.	164	TRW Customer Serv.	185
Chesapeake & Potomac	101	Int'l Rehabilitation	175	Pillsbury Co.	118	Union Electric Co.	131
CIBNA-Geigy Corp.	156	James River Corp. of VA	127	Reliance Elec. & Eng.	163	Union Oil Co. of CA	162
CNA Insurance	186	Johnson & Johnson	142	Roche Biomedical Lab.	144	United Cable Television	159
Colgate Palmolive Co.	199	Kemper Insurance Co.	158	Rockwell Int'l Corp.	124	U.S.G. Corp.	126
Combustion Eng., Inc.	133	K-Mart Corp.	169	R.J. Reynolds Tobacco	106	Warner Lambert Co.	116
ConRail	108	Land O' Lakes, Inc.	179	Safety Kleen Corp.	117	Wausau Ins. Co.	154
Consolidated Freightways	122	Lederle Lab.	174	Sandoz, Inc.	141	Weyerhaeuser Co.	172
C.P.P.-Pinkerton's Inc.	181	Lorillard, Inc.	148	Sara Lee Corp.	110	Wyeth-Ayerst Corp.	125

STATISTICS

Top 2nd 100

89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
101	Chesapeake & Potomac Silver Spring, MD	James K. Boles	X	—	2,222	6,142	8,364
102	Siemens Corp. Iselin, NJ	John Connelly	X	—	4,000	3,000	7,000
103	Texaco Inc. (Easton) White Plains, NY	Alexander Hamilton	X	PHH	2,190	3,680	5,870
104	Mary Kay Cosmetics Dallas, TX	John DeLuna	—	ARI	5,100	6	5,106
105	Suburban Propane Whippany, NJ	Scott Braun	X	—	500	3,700	4,200
106	R.J. Reynolds Tobacco, Co.	Vicky Brady Winston-Salem, NC	X	—	1,784	2,308	4,092
107	American Home Products New York, NY	Elizabeth Witkowski	X	—	3,700	100	3,800
108	ConRail Philadelphia, PA	Paul Rossi	X	—	550	3,100	3,650
109	General Electric Ind. Pow. Norcross, GA	Carmen Noakes	X	GEC Flt.	2,835	315	3,150
110	Sara Lee Corp. Chicago, IL	Lynn Ritsema	—	PHH	1,500	1,600	3,100

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
111	General Electric Med. Sys. Waukesha, WI	Ed Tohl	X	GEC Flt	3,000	—	3,000
112	Texaco Inc. (Central) Houston, TX	Bernard Byre	—	PHH	813	2,100	2,913
113	North American Philips Corp. New York, NY	Mary Beth	X	ARI	2,500	400	2,900
114	ICI Americas Inc. Wilmington, DE	Mary Chamberlin	X	ARI	2,415	463	2,878
115	Ogden Allied Service Corp. New York, NY	R. Brandeberry	X	—	1,500	1,300	2,800
116	Warner Lambert Co. Prof. Prods. Morris Plains, NJ	Ed Olesky James Hunt	X	—	2,400	350	2,750
117	Safety Kleen Corp. Elgin, IL	Richard Knippschild	X	—	400	2,300	2,700
118	Pillsbury Co. Minneapolis, MN	Sam Simmons	X	—	2,053	505	2,558
119	American Building Maint. Co. San Francisco, CA	Ellie Walsch	X	—	1,500	1,000	2,500
120	Textron, Inc. Providence, RI	Howard Maurer	X	—	1,800	600	2,400
121	Terminex, Int'l Memphis, TN	Lomax Springfield	—	Wheels	860	1,713	2,373
122	Consolidated Freightways Menlo Park, CA	Tom Baylis	X	~~GEC Flt.~~	2,230	28	2,258
123	Nationwide Mutual Ins. Co. Columbus, OH	Gail Royer	—	Wheels	2,200	3	2,203

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
124	Rockwell International Corp. Pittsburgh, PA	Gary Galiano	—	So. Gate Lsg., Bailey Lsg.	1,950	200	2,150
125	Wyeth-Ayerst Corp. Radnor, PA	Colleen Quinn	—	Wheels	2,040	100	2,140
126	U.S.G. Corp. Chicago, IL	Mary Sabathne	—	ARI, Donlen	1,200	900	2,100
127	James River Corp. of Virginia Richmond, VA	Rita Stokes Ernie Strauss	—	ARI, PHH, Associates	1,600	400	2,000
128	Gannett Supply Corp. Arlington, VA	Fran Jolles William Hee	X	—	1,500	500	2,000
129	Flowers Industries, Inc. Thomasville, GA	Mark Worthey	X	—	0	2,000	2,000
130	Fleming Companies Oklahoma City, OK	Wayne Lankford	X	—	900	1,100	2,000
131	Union Electric Co. St. Louis, MO	Walt Caesar	X	—	604	1,355	1,959
132	Petrolane Inc. Long Beach, CA	Steve Haverfield	X	—	248	1,552	1,800
133	Combustion Engineering Inc. Windsor, CT	Donald LePard	—	McCullagh, ARI	800	1,000	1,800
134	Automatic Data Processing Roseland, NJ	Mike Sankowitch	X	GEC Fit.	1,550	250	1,800
135	E.R. Squibb & Sons, Inc. Plainsboro, NJ	Tony Sacco	—	PHH	1,693	41	1,734
136	Philips Medical Systems Shelton, CT	Rose Klevozich	—	PHH	1,400	300	1,700

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
137	Schering-Plough Cranford, NJ	Robert Keckeissen	—	PHH	1,500	125	1,625
138	Allstate Insurance Co. Northbrook, IL	Donald F. Gorr	X	—	1,489	132	1,621
139	Eaton Corp. Cleveland, OH	Robert J. Wagner Marcia A. Duncan Ileen Thomas	—	LMV Leasing, GEC Flt.	1,325	295	1,620
140	Airborne Freight Corp. Seattle, WA	Martin Langley	X	—	412	1,200	1,612
141	Sandoz, Inc. E. Hanover, NJ	Barbara Eutsler	X	—	1,600	6	1,606
142	Johnson & Johnson New Brunswick, NJ	Joyce E. Donini	X	—	1,400	200	1,600
143	Firestone, Inc. Chicago, IL	Mel Martin	—	GEC Flt.	600	1,000	1,600
144	Roche Biomedical Lab., Inc. Burlington, NC	Jane Crabbe	—	Wheels	1,581	—	1,581
145	Household Finance Prospect Heights, IL	Mary Warwick	X	—	1,550	25	1,575
146	Lorillard, Inc. New York, NY	Sal J. Giacci	—	—	505	1,055	1,560
147	Texaco, Inc. (Western) Los Angeles, CA	Ray Takai	—	PHH	760	770	1,530
148	Fireman's Fund Novato, CA	Sylvia Jones	X	—	1,517	13	1,530
149	Hobart Corp. Troy, OH	Mark Welty Kathy Baker	—	GEC Flt. Wheels	507	996	1,503
150	American Greetings Brooklyn, OH	Gene Lusnek	—	PHH, LMV, Wheels	1,450	50	1,500

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
151	Alexander & Alexander Owings Mill, MD	Rich Wetzel	X	—	1,500	—	1,500
152	Miles Laboratories, Inc. Elkhart, IL	Debbie Bailey	—	Wheels	1,347	94	1,441
153	Bell & Howard Skokie, IL	Mike Winfield	X	Wheels	1,400	40	1,440
154	Wausau Wausau, IL	Jean Heisler Robert Rakow	--	GEC Fit. USFL	1,400	11	1,411
155	Alco Standard Valley Forge, PA	Jean Festa JoAnn Tripp	—	Wheels	1,136	375	1,411
156	CIBA-Geigy Corp. Summit, NJ	Barbara Bell	X	—	1,400	5	1,405
157	Campbell Sales Co. Camden, NJ	Charles Schnerr	X	—	1,300	100	1,400
158	Kemper Insurance Co. Long Grove, IL	Mary Leclair Frank Pastorino	X	—	1,365	12	1,377
159	United Cable Television Denver, CO	Richard Belkie	X	—	270	1,100	1,370
160	Moore Business Forms, Inc. Glenview, IL	Chuck Blaise	X	—	1,350	0	1,350
161	C.P.P.—Pinkerton's Inc. Van Nuys, CA	Leslie Waskin	X	USFL	1,053	280	1,333
162	Union Oil Co. of Calif. Los Angeles, CA	Ken Ogata	X	—	1,300	—	1,300
163	Reliance Electric & Eng. Co. Cleveland, OH	Phil Tedeschi	X	—	900	400	1,300

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
164	Picker Corp. Highland Heights, OH	Betty Strader	X	—	1,249	50	1,299
165	Harcourt Brace Jovanovich, Inc. Orlando, FL	Keith L. Smith Bill Owen	X	GEC Flt. Donlen	682	580	1,262
166	American Int'l Realty Co. Manchester, NH	Ed Rogers	X	—	1,252	3	1,255
167	Tektronic, Inc. Beaverton, OR	Johnnie Schmauder	X	—	1,078	174	1,252
168	St. Paul Fire & Marine Ins. St. Paul, MN	Paul King	X	GEC Flt.	1,249	3	1,252
169	K-Mart Corp. Troy, MI	Jim Wright	X	—	1,160	72	1,232
170	The Quaker Oats, Co. Barrington, IL	Linda Teetmeyer	—	LMV	1,170	50	1,220
171	Emmerson Electric Co. St. Louis, MO	Robert White	—	GEC Flt. Enterprise, LendLease	1,067	147	1,214
172	Weyerhaeuser Co. Tacoma, WA	Donna McKivor	—	Nickerson	800	400	1,200
173	Nestle Foods Corp Purchase, NY	John Stellabotte	X	—	1,150	50	1,200
174	Lederle Lab. Wayne, NJ	Nora Tanis	—	ARI	1,200	—	1,200
175	International Rehabilitation Wayne, PA	Pat Kays	X	—	1,200	—	1,200
176	Chemlawn Corp. Columbia, OH	Jim Hughes	X	—	200	1,000	1,200

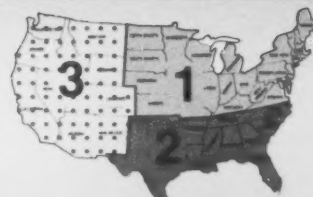
'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
177	Babcock-Wilcox Barbertown, OH	Glenn Westover	X	—	800	400	1,200
178	Siemens Inform. Sys. Inc. Boca Raton, FL	Robert Morris	—	ARI, MAL	225	950	1,175
179	Land O' Lakes, Inc. Minneapolis, MN	Bruce Charon	—	Farmcredit, GEC Flt.	801	357	1,158
180	Ohio Casualty Ins. Co. Hamilton, OH	Mike Ulrich	X	—	1,150	4	1,154
181	Thomas J. Lipton, Inc. Englewood Cliffs, NJ	George Maheu Samuel Mauro	—	GEC Flt.	1,125	25	1,150
182	Nalco Chemical Co. Naperville, IL	Cary Schiltz	X	—	900	250	1,150
183	Anheuser-Busch Co. Inc. St. Louis, MO	Harold Kessel	X	—	1,150	—	1,150
184	Syntex Labs Palo Alto, CA	Bob Schlossareck	—	ARI, Wheels, GEC Flt.	1,100	40	1,140
185	TRW Customer Service Fairfield, NJ	Carol Mitchell	—	USFL	650	450	1,100
186	CNA Insurance Chicago, IL	David Gisselman Michael Wagner	X	—	1,100	—	1,100
187	Oxy USA, Inc. Tulsa, OK	Ron Dudley	—	Wheels	210	880	1,090
188	Perkin Elmer Norwalk, CT	Dick Fischer	—	GEC Flt. PHH	779	296	1,075

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Trucks & Vans	Total
188	American Family Insurance Madison, WI	Richard Zink	X	—	1,051	16	1,067
190	Beckman Instruments, Inc. Fullerton, CA	Carol Homer	X	—	270	782	1,052
191	S.C. Johnson & Sons, Inc. Racine, WI	Karen Fries	X	—	1,000	40	1,040
192	Parker-Hannifin Corp. Cleveland, OH	Leona Latini	—	McCullagh, GE Capital	900	130	1,030
193	The American Tobacco Co. Chester, VA	Gerald Newmark	X	—	950	76	1,026
194	A.H. Robins Co., Inc. Richmond, VA	William Netherwood	X	—	984	22	1,006
195	National Linen Service Atlanta, GA	Tom Spight	X	—	400	600	1,000
196	Metpath, Inc. Teterboro, NJ	Mike Meyer	X	—	900	100	1,000
197	Gallo/Vintage Wine Co. Los Angeles, CA	Laverne Morgan	X	—	970	30	1,000
198	Gen. Corp. — General Fire Akron, OH	Robert Klausman	X	—	350	585	935
199	Colgate Palmolive Co. New York, NY	Gary Palmietto	X	—	900	20	920
200	Gerber Products Co. Menlo Park, CA	Dan Rozycki	X	—	771	136	907

TOTALS
129,767 61,640 191,407

USED CARS

The following are average used-car prices for the period ending March 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3
87 BUICK SKYHAWK				86 DODGE 600				87 OLDS CUTLASS SUPREME			
Cust Coupe	5451	5505	5341	Sdn	4694	4739	4600	Coupe	7874	7953	7718
Cust Sdn	5533	5588	5422	87 FORD ESCORT				Sedan	7874	7953	7718
87 BUICK CENTURY				Htchbk 4 Dr GL Series	4499	4544	4408	86 OLDS CUTLASS SUPREME			
Cust Sdn	6961	7031	6822	86 FORD ESCORT				Coupe	6280	6343	6154
86 BUICK CENTURY				Htchbk 4 Dr L Series	3291	3325	3224	Sedan	6122	6182	5998
Cust Sdn	5637	5693	5525	87 FORD MUSTANG				87 OLDS 98			
87 BUICK SKYLARK				LX-4 Cpe	6030	6090	5908	Regency Sedan	10,232	10,334	10,029
Cust Sdn	6868	6936	6731	86 FORD MUSTANG				86 OLDS 98			
86 BUICK SKYLARK				LX-4 Cpe	4847	4894	4749	Roccy Sedan	8388	8470	8218
Cust Sdn	5660	5715	5546	87 FORD TAURUS				87 PLYMOUTH HORIZON			
87 BUICK SOMERSET REGAL				GL Sdn 4 Dr	7349	7423	7201	Htchbk 5 Dr	4065	4106	3986
Coupe	6868	6936	6731	87 FORD TEMPO				86 PLYMOUTH HORIZON			
87 BUICK RIVIERA				GL Sdn 4 Dr	5260	5314	5155	Htchbk 4 Dr	3108	3138	3045
Coupe	10,406	10,509	10,196	86 FORD TEMPO				87 PLYMOUTH RELIANT			
86 BUICK RIVIERA				GL Sdn 4 Dr	4177	4217	4090	Sedan	5029	5079	4928
Coupe	9093	9184	8910	86 FORD LTD				86 PLYMOUTH RELIANT			
87 BUICK LE SABRE				Sdn	4306	4351	4221	Sedan	3916	3955	3837
Cust Sdn	8675	8760	8500	87 FORD CROWN VIC				87 PLYMOUTH CARAVELLE			
87 CADILLAC DE VILLE				Sdn	9244	9336	9061	SE Sedan	5825	5882	5706
Cpe	13,285	13,418	13,020	86 FORD CROWN VIC				87 PLYMOUTH GRAN FURY			
Sdn	13,449	13,584	13,181	Sdn	7645	7722	7490	Salon Sedan	5691	5748	5577
86 CADILLAC DE VILLE				87 FORD THUNDERBIRD				86 PLYMOUTH GRAN FURY			
Cpe	10,681	10,791	10,470	Cpe	8170	8252	8008	Salon Sedan	4632	4678	4540
Sdn	10,822	10,932	10,607	86 FORD THUNDERBIRD				87 PONTIAC SUNBIRD			
87 CADILLAC SEVILLE				Cpe	6541	6606	6411	SE Coupe	5320	5373	5213
Sdn	14,735	14,883	14,440	87 LINCOLN CONTINENTAL				Sedan	5339	5393	5234
86 CADILLAC SEVILLE				Sdn	15,109	15,260	14,805	86 PONTIAC SUNBIRD			
Sdn	13,343	13,475	13,075	Town Car Sdn	13,739	13,877	13,464	SE Coupe	4386	4428	4296
87 CHEVY CAMARO				Mark VII Cpe	14,822	14,971	14,527	Sedan	4421	4467	4334
Cpe	7057	7128	6915	86 LINCOLN CONTINENTAL				87 PONTIAC 6000			
86 CHEVY CAMARO				Sdn	12,365	12,489	12,118	Coupe	6524	6588	6393
Cpe	6001	6062	5883	Town Car Sdn	11,325	11,440	11,099	Sedan	6600	6666	6469
87 CHEVY CAVALIER				Mark VII Cpe	12,126	12,247	11,884	86 PONTIAC 6000			
Sdn	5092	5143	4990	87 MERCURY COUGAR				Coupe	5175	5227	5073
86 CHEVY CAVALIER				LS Cpe	8581	8668	8412	Sedan	5236	5289	5133
Sdn	4116	4159	4036	86 MERCURY COUGAR				87 PONTIAC GRAND AM			
87 CHEVY CELEBRITY				LS Cpe	7254	7326	7108	Sedan	7066	7138	6925
Sdn	6296	6359	6169	87 MERCURY TOPAZ				87 PONTIAC FIREBIRD			
86 CHEVY CELEBRITY				GS Sdn 4 Dr	5297	5348	5188	Coupe	7135	7204	6990
Sdn	4975	5025	4876	86 MERCURY TOPAZ				86 PONTIAC FIREBIRD			
87 CHEVY CAPRICE				GS Sdn 4 Dr	4243	4284	4157	Coupe	6078	6137	5955
Sdn	7193	7263	7048	86 MERCURY MARQUIS				87 PONTIAC BONNEVILLE			
87 CHEVY CORSICA				Sdn	4387	4431	4299	Sedan	8722	8811	8547
Sdn	6228	6291	6105	87 MERCURY GRAND MARQUIS				86 PONTIAC BONNEVILLE			
87 CHEVY BERETTA				Sdn GS	9784	9881	9586	Sedan	5888	5948	5770
Cpe	8097	8176	7934	86 MERCURY GRAND MARQUIS				87 PONTIAC GRAND PRIX			
87 CHRYSLER LE BARON				Sdn	8276	8359	8111	Coupe	7878	7957	7720
Sdn	6253	6314	6127	87 NISSAN SENTRA				86 PONTIAC GRAND PRIX			
86 CHRYSLER LE BARON				Sedan 2 Dr	4316	4359	4229	Coupe	6349	6413	6221
Cpe	5047	5096	4946	87 NISSAN STANZA				87 TOYOTA COROLLA			
Sdn	5096	5148	4996	E Ntch 4 Dr	6846	6914	6708	Sedan 4 Dr Deluxe	5958	6016	5838
87 CHRYSLER FIFTH AVENUE				87 NISSAN MAXIMA				87 TOYOTA CAMRY			
Sdn	9522	9615	9330	SE Sedan	10,360	10,463	10,152	Sedan 4 Dr Deluxe	8728	8815	8553
86 CHRYSLER FIFTH AVENUE				86 NISSAN SENTRA				87 TOYOTA CRESSIDA			
Sdn	7974	8053	7817	Std Sedan 2 Dr	3227	3259	3163	Lux Sedan	12,747	12,873	12,491
87 DODGE OMNI AMERICA				86 NISSAN STANZA				86 TOYOTA COROLLA			
Htchbk 5 Dr	4093	4134	4011	GL Ntch 4 Dr	5520	5575	5410	Sedan 4 Dr Deluxe	4941	4971	4823
86 DODGE OMNI				86 NISSAN MAXIMA				86 TOYOTA CAMRY			
Htchbk 4 Dr	3114	3143	3050	SE Sedan	8545	8631	8374	Sedan 4 Dr Deluxe	6621	6687	6489
87 DODGE ARIES				87 OLDS FIRENZA				86 TOYOTA CRESSIDA			
Sdn	5025	5074	4923	Sedan	5533	5588	5422	Lux Sedan	9911	10,010	9713
86 DODGE ARIES				86 OLDS FIRENZA				87 VOLKSWAGEN JETTA			
Sdn	3933	3972	3854	Sedan	4460	4502	4370	Sedan 4 Dr	6807	6876	6672
87 DODGE DIPLOMAT				87 OLDS CIERA				86 VOLKSWAGEN JETTA			
Slr Sdn	5698	5755	5584	S Coupe	6944	7013	6805	Sedan 4 Dr	5732	5789	5617
86 DODGE DIPLOMAT				Sedan	7024	7094	6883	87 VOLKSWAGEN JETTA			
Slr Sdn	4611	4660	4519	86 OLDS CIERA				Sedan 4 Dr			
87 DODGE 600				LS Coupe	5504	5560	5394				
Sdn	5902	5961	5783	LS Sedan	5571	5627	5462				
				87 OLDS CALAIS							
				Sedan	6862	6930	6725				

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Pine Bluff, AR	122.9c	80.9c
Modesto, CA	113.9	78.2
New Haven, CT	132.9	110.2
Key West, FL	137.9	107.4
Atlanta, GA	126.5	78.7
Maui, HI	171.5	130.3
Chicago, IL	134.8	96.7
Wichita, KS	127.9	88.1
Boston, MA	113.1	100.9
Royal Oak, MI	136.4	91.9
St. Charles, MO	101.9	77.4
Albany, NY	123.4	96.4
Philadelphia, PA	114.9	92.1
Columbia, SC	124.4	88.4
Yakima, WA	159.9	104.9

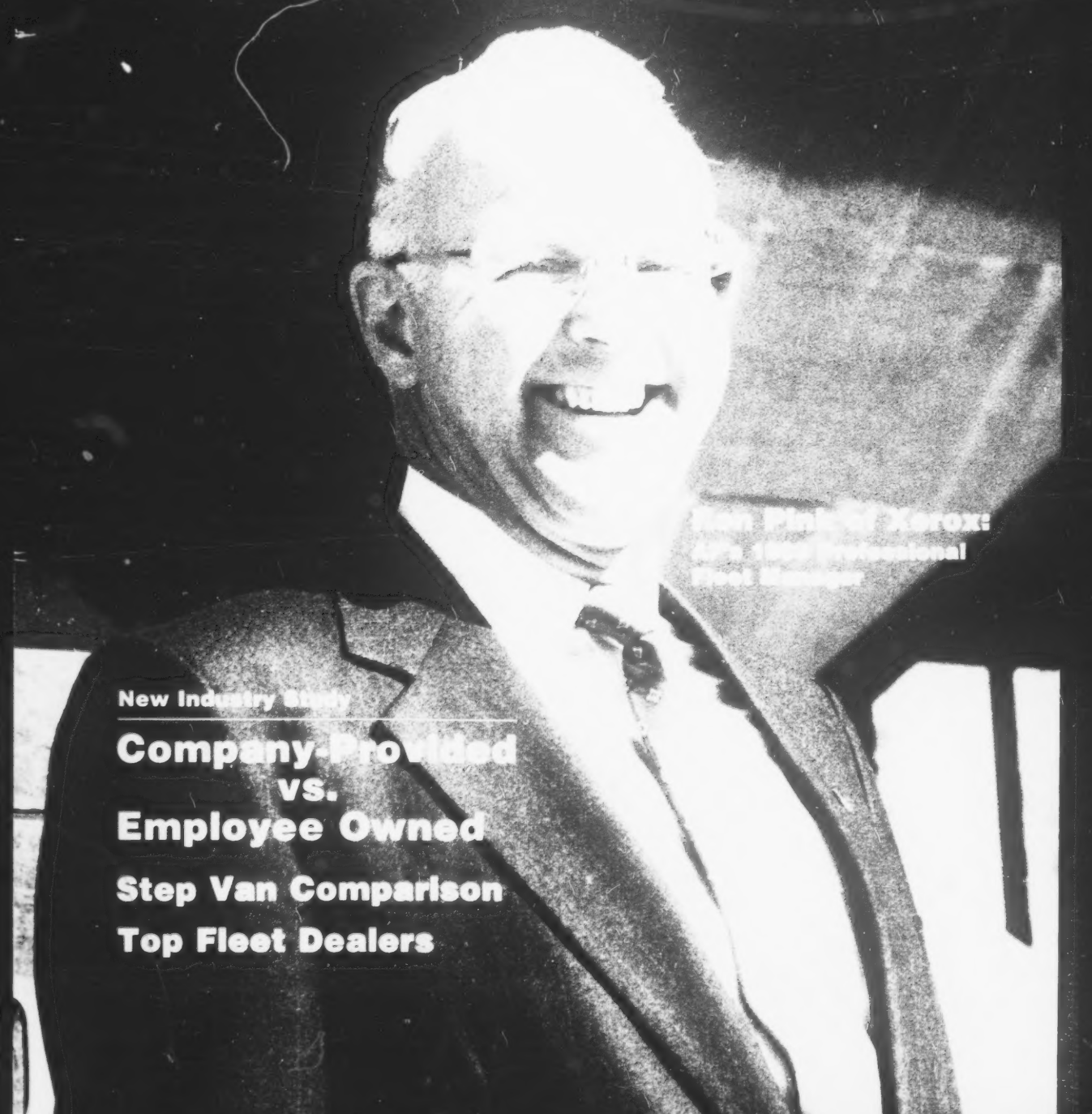
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may 1989

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



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**Company-Provided
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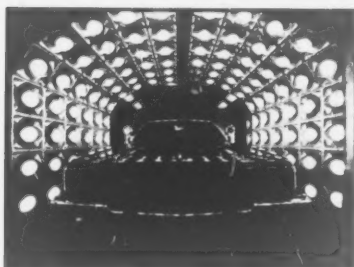
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MAY 1989
VOL. 28, NO. 7

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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On the cover: Ron Pink, business manager, vehicle fleet business for Xerox Corp., has been voted the winner of *Automotive Fleet's* Professional Fleet Manager Award. Interview starts on page 25

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- 52** **The Top-Selling Fleet Dealers of 1988**
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INDUSTRY STUDY

A new, comprehensive study demonstrates company-provided vehicles are more economical to both company and driver. The study was sponsored by the NAFA Foundation and conducted by Ernst & Whinney.

Company-Provided Cars Proven More Economical

The total life cycle cost of a leased car provided to an employee is \$1,160 or 10.5 percent cheaper than the equivalent vehicle purchased by the driver, according to a new survey by the accounting firm of Ernst & Whinney.

The accounting firm also says its data indicates a similar corporate savings would be true for corporate-owned cars as it is for leased units, but that aspect was not studied in detail at this time.

The survey was released at a packed meeting of the National As-

sociation of Fleet Administrators' (NAFA) Annual Conference in New York City last month. It was commissioned by the NAFA Foundation Inc., a nonprofit organization formed in 1976 by the association to promote and encourage educational programs and finance research projects.

"When you consider that company fleets range in size from 25 cars to more than 50,000, saving (as much as) \$1,200 per vehicle is no small efficiency," says Warren Feirer, president of the NAFA Foundation and former fleet ad-

ministrator for Nabisco Brands.

Feirer says he is "99 percent certain of the accuracy" of the report's conclusions.

"For years, people in boardrooms and employee lounges have debated the relative economic merits of (vehicle) provision and reimbursement without the benefit of hard numbers," says Feirer, now a fleet consultant. "This study should help executives make more informed decisions."

Major Conclusions

The three conclusions of the Ernst & Whinney report were:

- Company provision is more economical from the joint company/employee perspective by a substantial amount.
- The employee is either marginally or substantially better off economically under company provision.
- The company may be substantially better or worse off economically under company provision, depending primarily on the employee reimbursement or personal use chargeback method used.

"For the average sales or service rep, this study outlines a win-win proposition," says Robert E. Taggart Jr., senior manager of Ernst & Whinney's National Transportation Consulting Group in Washington, D.C. "It says to the employee, 'If

Chart 1
Comparison of Total Vehicle Net
Present Value Costs

Base Case

Cost Component	Company Provision	Employee Provision
Net Acquisition and Finance Costs	\$7,867	\$9,888
Operation and Maintenance Costs	\$3,619	\$4,342
Administration and Insurance		
Costs and Taxes and Fees	\$3,620	\$2,503
Income Taxes	(\$5,182)	(\$5,649)
TOTAL	\$9,924	\$11,084

—Source: Ernst & Whinney

INDUSTRY STUDY

your job description requires you to spend your life on the road, parking a company car in your driveway means more money in your pocket and a better contribution to your company's bottom line."

The survey is based on a comparison of all relevant costs associated with maintaining and operating a mid-sized sedan such as a Chevrolet Celebrity, Dodge Dynasty, or Ford Taurus, says Taggart, who co-directed the study with Paul Lauria of the same office.

"In order to provide for an 'apples to apples' comparison, identical vehicle and vehicle use characteristics—make, model, optional equipment, annual mileage, retention cycle, financing period, and insurance coverage—were assumed for both the company-provided and the employee-provided vehicle. These parameters were established on the basis of information about typical business car use obtained through a survey of NAFA members and through a review of several large leasing company databases." The company-provided mid-sized sedans used in the comparison were leased. Other methodology is included in the accompanying story.

Including all costs, the mid-sized car would cost a company \$9,924,

and \$11,084 if provided by the employee. Assuming a standard 85 percent business and 15 percent personal use, company leasing of a car would cost the employer \$7,597, compared with \$8,321 if supplied by the employee. Also, personal use of a company car would cost the employee \$2,327 over the life of the vehicle, compared with \$2,764 if the employee were to drive his own car for business and personal use.

The survey determined the net cost of acquiring and financing the car alone (not including operating, administration, and other expenses) was lower by \$2,021 for the company than for the individual employee; \$7,867 vs. \$9,888. (See Chart 1.)

"The substantial difference in acquisition cost reflects the relatively greater buying power, resulting principally from economies of scale, of a leasing company over that of an individual," says the study report. "The cost to an individual is approximately midway between dealer cost and manufacturer's suggested retail price (MSRP)."

The possibility of factory rebates was not considered, the report says, but such discounts would tend to favor corporations "because fleet rebates are available year-round whereas retail rebates are not."

Operating and maintenance costs also are more costly to the employee buying his own car compared with a company leased unit. The survey says it costs an average of \$3,619 for a company and \$4,342 for an employee.

"Operating and maintenance costs included expenses for fuel, oil, tires, maintenance, and repairs," says the study. "... the principal source of the difference is lower maintenance and repair costs for company-provided vehicles... due primarily to the fact that companies usually pay less for maintenance and repair by using national account programs than do individuals who use retail vendors. It generally is believed that national account program costs are about 25 percent lower than retail costs."

The area that cost companies more to provide a leased car was in administration and insurance costs and taxes and fees. The survey reveals it costs the company \$3,620 compared with \$2,503, or \$1,117 more over the fleet life of the car.

"The difference in management and administration cost reflects the greater degree of responsibility a company has for a car it provides to an employee than for a car owned by the employee," says the study. "Nevertheless, the use of employee-

Chart 2
Comparison of Net Present Value Costs Incurred by Each Party
Base Case

Cost Component	Company Provision*		Employee Provision*	
	Company Cost	Employee Cost	Company Cost	Employee Cost
Net Acquisition and Finance Costs	\$6,667	\$1,200	\$8,321	\$1,569
Operation and Maintenance Costs	\$3,055	\$ 564	\$3,607	\$ 735
Administration and Insurance				
Costs and Taxes and Fees	\$3,057	\$ 563	\$2,041	\$ 460
Income Taxes	(\$5,182)	\$ 0	(\$5,649)	\$ 0
TOTAL	\$7,597	\$2,327	\$8,320	\$2,764

*In each case, the employee is assumed to incur 15 percent of before-tax cost of the vehicle and about 23 percent of after-tax cost.

—Source: Ernst & Whinney

INDUSTRY STUDY

provided vehicles to meet business car needs is not cost free to the company from the standpoint of administration. The company must devote personnel time and other resources—often including consulting fees—to ensure that employees are properly reimbursed for the business use of their vehicles."

Insurance costs are higher, the survey says, because of the costs associated with the mix of self-insurance and commercial premium costs most companies face.

On the other hand, taxes and fees are slightly higher for the employee and this reflects the higher cost of the vehicle to the individual.

Income taxes are deducted from the costs of both the company and the individual because of the deductibility of business expenses under federal and state tax laws.

"There is no tax deduction for the employee because the chargeback and reimbursement methods are assumed to be structured so that the employee is fully reimbursed for business use of the vehicle and thus pays only for the personal use of the vehicle and such costs are not deductible under tax law," says the Ernst & Whinney report.

"The tax deduction is higher for the company under employee (owned) provision because the cost of owning and operating a vehicle is higher under this scenario."

The study says the fact the total cost of a business car is lower under the company provision "does not automatically imply that this method of meeting business car needs is more advantageous to the company." However, a look at a comparison of costs incurred in the

case of a company-provided versus an employee-provided car shows the company saves \$723 by providing a leased car while the employee would save \$437.

As noted in Chart 2, under the company-provided situation, a corporation will spend a net of \$7,597 for the car while the employee portion of the cost is \$2,327. On the employee-provided side, the company reimbursement net cost is \$8,320 versus \$2,764 for the employee.

"Under both scenarios, the employee incurs 15 percent of the before-tax cost of the vehicle and approximately 23 percent of the after-tax cost. Since the employee cannot claim any deduction for personal use, his before- and after-tax cost is the same; the company's ability to deduct business expenses effectively lowers its before-tax cost..." AP

How The Study Was Done

The research study was done during 14 weeks of 1989 by Ernst & Whinney, the Big Eight accounting firm. The work was carried out by Robert E. Taggart Jr. and Paul T. Lauria of the firm's National Transportation Consulting Group, Washington, D.C.

The study focused on identifying and comparing against one another the cost to the company, the cost to the employee, and the combined total cost to both of a typical fleet car when provided by the company and when provided by the employee. All relevant costs associated with owning and operating a business car were considered, including direct fixed and variable expenses, and indirect expenses.

Identical vehicle and vehicle use characteristics—make, model, optional equipment, annual mileage, retention cycle, financing period, and insurance coverage—were assumed for both the company-leased and the employee-

provided vehicle. The parameters were established after a survey of NAFA members and through a review of several large leasing company databases.

Cost comparisons were not conducted for every possible combination of vehicle and fleet characteristics. The study focused on identifying and comparing costs only of mid-sized sedans used by sales and service representatives.

Vehicles used by fleets of all sizes were included and the potential impact on unit cost of differences in fleet size was explored through sensitivity analyses. Cost comparisons for specific categories of fleet size were not conducted. Similar cost comparisons were not performed for vehicles located in every state but only in Massachusetts, Pennsylvania, Illinois, Minnesota, Florida, Tennessee, Texas, Colorado, and California.

The base case results presented in the report accurately reflect the experience of the typical corporate sales and service fleet vehicle

which has the following attributes:

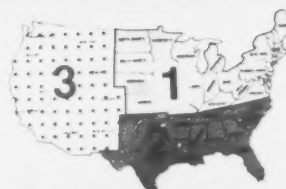
- Four-door, mid-sized sedan with a six-cylinder engine, automatic transmission, air conditioning, tinted glass, cruise control, and tilt steering wheel.
- 50-month, open-ended operating lease.
- 28-month retention cycle.
- 25,000 miles of operation per year and approximately 58,000 cumulative miles at disposal.

To provide a fair comparison of the two vehicle provision methods, Ernst & Whinney says identical or comparable assumptions were used for employee-owned and provided vehicles. Identical vehicles (including options), retention cycles, and annual mileage levels were assumed. Whereas a 50-month lease was assumed for the employer-provided vehicle because that is the standard tax amortization cycle, a 48-month loan was assumed for the employee-provided vehicle.

For copies of the study, contact NAFA headquarters.

USED CARS

The following are average used-car prices for the period ending April 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3
87 BUICK SKYHAWK Cust Coupe	5386	5439	5277	86 DODGE 600 Sdn	4784	4831	4685	87 OLDS CUTLASS SUPREME Coupe	7811	7889	7657
Cust Sdn	5466	5521	5357	87 FORD ESCORT Htchbk 4 Dr GL Series	4446	4489	4355	Sedan	7811	7889	7657
87 BUICK CENTURY Cust Sdn	6864	6933	6727	86 FORD ESCORT Htchbk 4 Dr L Series	3245	3279	3179	86 OLDS CUTLASS SUPREME Coupe	6230	6292	6105
86 BUICK CENTURY Cust Sdn	5603	5659	5491	87 FORD MUSTANG LX-4 Cpe	5958	6018	5837	Sedan	6073	6132	5950
87 BUICK SKYLARK Cust Sdn	6813	6880	6677	86 FORD MUSTANG LX-4 Cpe	4775	4821	4678	87 OLDS 98 Regency Sedan	10,110	10,210	9909
86 BUICK SKYLARK Cust Sdn	5615	5669	5501	87 FORD TAURUS GL Sdn 4 Dr	7261	7334	7115	86 OLDS 98 Rgcy Sedan	8304	8386	8136
87 BUICK SOMERSET Coupe	6813	6880	6677	87 FORD TEMPO GL Sdn 4 Dr	5208	5261	5103	87 PLYMOUTH HORIZON Htchbk 5 Dr	3997	4036	3918
87 BUICK RIVIERA Coupe	10,323	10,425	10,115	86 FORD TEMPO GL Sdn 4 Dr	4127	4157	4042	86 PLYMOUTH HORIZON Htchbk 4 Dr	3071	3100	3009
86 BUICK RIVIERA Coupe	9003	9092	8821	86 FORD LTD Sdn	4254	4299	4171	87 PLYMOUTH RELIANT Sedan	4969	5019	4869
87 BUICK LE SABRE Cust Sdn	8572	8655	8398	87 FORD CROWN VIC Sdn	9151	9243	8971	86 PLYMOUTH RELIANT Sedan	3862	3900	3783
87 CADILLAC DE VILLE Cpe	—	—	—	86 FORD CROWN VIC Sdn	7569	7645	7416	87 PLYMOUTH CARAVELLE SE Sedan	5726	5783	5609
Sdn	13,179	13,311	12,916	87 FORD THUNDERBIRD Cpe	8088	8170	7928	87 PLYMOUTH GRAN FURY Salon Sedan	5594	5651	5483
86 CADILLAC DE VILLE Cpe	10,596	10,705	10,387	86 FORD THUNDERBIRD Cpe	6475	6540	6347	86 PLYMOUTH GRAN FURY Salon Sedan	4568	4612	4476
Sdn	10,736	10,844	10,522	87 LINCOLN CONTINENTAL Sdn	15,034	15,184	14,731	87 PONTIAC SUNBIRD SE Coupe	5267	5319	5161
87 CADILLAC SEVILLE Sdn	15,332	15,486	15,024	Town Car Sdn	13,671	13,807	13,397	Sedan	5188	5238	5082
86 CADILLAC SEVILLE Sdn	13,210	13,341	12,945	Mark VII Cpe	14,748	14,896	14,454	86 PONTIAC SUNBIRD SE Coupe	4333	4375	4245
87 CHEVY CAMARO Cpe	6959	7028	6819	86 LINCOLN CONTINENTAL Sdn	12,266	12,390	12,021	Sedan	4297	4341	4212
86 CHEVY CAMARO Cpe	5917	5978	5801	Town Car Sdn	11,234	11,349	11,011	87 PONTIAC 6000 Coupe	6433	6496	6304
87 CHEVY CAVALIER Sdn	5031	5081	4930	Mark VII Cpe	12,029	12,149	11,790	Sedan	6508	6573	6379
86 CHEVY CAVALIER Sdn	4058	4101	3980	87 MERCURY COUGAR LS Cpe	8495	8582	8321	86 PONTIAC 6000 Coupe	5103	5154	5002
87 CHEVY CELEBRITY Sun	6208	6270	6083	86 MERCURY COUGAR LS Cpe	7182	7253	7037	Sedan	5163	5215	5061
86 CHEVY CELEBRITY Sdn	4905	4955	4808	87 MERCURY TOPAZ GS Sdn 4 Dr	5245	5294	5136	87 PONTIAC GRAND AM Sedan	7010	7081	6869
87 CHEVY CAPRICE Sdn	7121	7191	6978	86 MERCURY TOPAZ GS Sdn 4 Dr	4192	4233	4107	87 PONTIAC FIREBIRD Coupe	7035	7104	6892
87 CHEVY CORSICA Sdn	5932	5993	5815	86 MERCURY MARQUIS Sdn	4334	4378	4248	86 PONTIAC FIREBIRD Coupe	5993	6051	5872
87 CHEVY BERETTA Cpe	6406	6470	6276	87 MERCURY GRAND MARQUIS Sdn GS	9735	9831	9538	87 PONTIAC BONNEVILLE Sedan	8617	8706	8444
87 CHRYSLER LE BARON Sdn	6147	6207	6023	86 MERCURY GRAND MARQUIS Sdn	8210	8292	8047	86 PONTIAC BONNEVILLE Sedan	5841	5900	5724
86 CHRYSLER LE BARON Cpe	4977	5025	4877	87 NISSAN SENTRA Sedan 2 Dr	4230	4272	4144	87 PONTIAC GRAND PRIX Coupe	7815	7893	7659
Sdn	5025	5076	4926	87 NISSAN STANZA E Ntch 4 Dr	6709	6776	6574	86 PONTIAC GRAND PRIX Coupe	6311	6375	6183
87 CHRYSLER FIFTH AVENUE Sdn	9379	9471	9190	87 NISSAN MAXIMA SE Sedan	10,153	10,254	9949	87 TOYOTA COROLLA Sedan 4 Dr Deluxe	5869	5926	5750
86 CHRYSLER FIFTH AVENUE Sdn	7839	7917	7684	86 NISSAN SENTRA Std Sedan 2 Dr	3162	3194	3100	87 TOYOTA CAMRY Sedan 4 Dr Deluxe	8597	8683	8425
87 DODGE OMNI AMERICA Htchbk 5 Dr	4023	4064	3943	86 NISSAN STANZA GL Ntch 4 Dr	5410	5463	5302	87 TOYOTA CRESSIDA Lux Sedan	12,428	12,551	12,179
86 DODGE OMNI Htchbk 4 Dr	3077	3105	3014	86 NISSAN MAXIMA SE Sedan	8374	8458	8207	86 TOYOTA COROLLA Sedan 4 Dr Deluxe	4823	4872	4727
87 DODGE ARIES Sdn	4965	5014	4864	87 OLDS FIRENZA Sedan	5466	5521	5357	86 TOYOTA CAMRY Sedan 4 Dr Deluxe	6489	6553	6359
86 DODGE ARIES Sdn	3878	3916	3800	86 OLDS FIRENZA Sedan	4416	4457	4326	86 TOYOTA CRESSIDA Lux Sedan	9762	9860	9567
87 DODGE DIPLOMAT Sin Sdn	5601	5658	5490	87 OLDS CIERA S Coupe	6847	6915	6710	87 VOLKSWAGEN JETTA Sedan 4 Dr	6637	6704	6505
86 DODGE DIPLOMAT Sin Sdn	4547	4595	4456	Sedan	6926	6995	6787	86 VOLKSWAGEN JETTA Sedan 4 Dr	5617	5673	5505
87 DODGE 600 Sdn	5831	5889	5714	86 OLDS CIERA LS Coupe	5471	5526	5362				
				LS Sedan	5537	5593	5430				
				87 OLDS CALAIS Sedan	6808	6874	6671				

CALENDAR

MAY

2-7—The National Vehicle Leasing Association's National Conference, The Marriott Hotel, San Diego, CA. Information: (213) 838-3170.

3—The Mudgett Group's Rental Management Workshop, Holiday Inn-Airport North, Atlanta, GA. Information: (904) 672-1040.

4-5—Basic Management Inc.'s Train the Trainer Workshop for car-rental operators, Holiday Inn-Airport North, Atlanta, GA. Information: (312) 930-9322.

8-9—Seminar on Leak Detection & Monitoring Methods for Underground Storage Tanks, The Copley Plaza, Boston, MA. For information on this and other dates, call (215) 643-5466.

16-19—Thrifty Car Rental Convention, Marriott River Center, San Antonio, TX. Information: (918) 665-3930.

21-24—National Cable Television Association Conference, Convention Center, Dallas, TX. Information: (202) 463-7905.

JUNE

11-15—Electric Utilities Fleet Managers Association Conference, Williamsburg Lodge & Conference Center, Williamsburg, VA.

27-28—Runzheimer International's Mobility Management Conference, Woodfield Hilton and Towers, Arlington Heights, IL. Information: (800) 942-9949.

JULY

12-14—International Trucking Show, Convention Center, Anaheim, CA. Information: (415) 349-4876.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Anchorage, AK	140.3c	104.3c
Mobile, AL	136.2	94.3
Kingman, AZ	153.2	123.4
Long Beach, CA	150.4	109.9
Denver, CO	137.2	109.7
Washington, DC	142.8	103.7
Maui, HI	180.6	140.3
Waterloo, IA	149.0	112.0
Louisville, KY	137.9	102.9
Minneapolis, MN	143.8	108.3
Raleigh, NC	136.9	110.9
Las Vegas, NV	141.9	109.9
Poughkeepsie, NY	130.4	106.4
Oil City, PA	105.9	90.9
Madison, WI	146.4	117.4

Survey conducted during the first five working days of April 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI

a bobit publication

june 1989

automotive **FLEET**

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Exclusive Interview:

Frank Olson
Chairman and CEO
of The Hertz Corp.

Vehicle Ordering Primer
Rental Company Profiles
Shuttle Bus Showcase
Fleet Dealer Issues

automotive FLEET

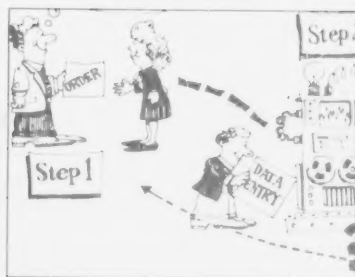
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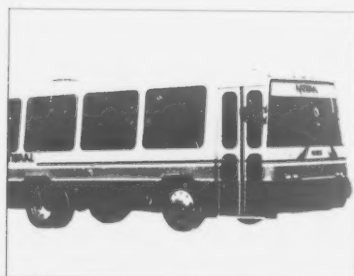
JUNE 1989
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Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets

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ERRATA

Automotive Fleet Fact Book Revisions and Update

The National Association of Fleet Administrators' phone number and FAX number were listed with an incorrect area code on **page 161**. The correct numbers are: (201) 494-8100, FAX (201) 494-6789.

The Faul Fleet Group's phone number was incorrectly listed on **page 157**. The correct number is (312) 882-5306. The firm is located in Schaumburg, IL.

Lease Plan USA's address was incorrectly listed on **page 106**. The correct address is 300 Interstate North, Suite 400, Atlanta, GA 30339.

On **page 38**, **Emkay**, showing a total of 17,500 vehicles, is listed 19th. **Emkay** should be listed 15th.

On **page 176**, **Manheim Auctions** was incorrectly listed as having 19 auctions in its network. They operate 23 auctions.

Please add to the **National Auto Auction Association** listing on pages 180-185:

VIRGINIA (cont.)

Harrisonburg Auto Auction, Inc.
(A GE Capital Auto Auctions

Company)
Exit 62 & Interstate 81
P.O. Box 1086, 3560 Early Road
Harrisonburg, VA 22801
(703) 434-5991
FAX (703) 434-6813
Wednesday 11:00 A.M.

Radford Auto Auction, Inc.
P.O. Box 1167
Radford, VA 24141
(1-85—Exit 35)
(703) 639-9011
FAX (703) 639-0744
Monday 6:00 P.M.

Star City Auto Auction, Inc.
1570 Underhill Ave., S.E.
Roanoke, VA 24013
(703) 342-2700
FAX (703) 343-7214
Tuesday 7:00 P.M.

Tidewater Auto Auction
3316 So. Military Highway
Chesapeake, VA 23323
Mail Address: P.O. Box 6010
Chesapeake, VA 23323
(804) 487-3464
Wednesday 11:00 A.M.

WASHINGTON

Puget Sound Auto Auction, Inc.
(An Anglo American Auto Auction)
621 37th, N.W.
Auburn, WA 98071
(206) 735-1600
FAX (206) 939-7875
Tuesday 10:30 A.M.

South Seattle Auto Auction, Inc.
(A GE Capital Auto Auctions Company)
19443 77th Ave. South
P.O. Box 5189
Kent, WA 98064-5189
(206) 872-6800 (Kent)
(206) 762-1600 (Seattle)
FAX (206) 395-3342
Wednesday 10:00 A.M.

Tri-City Auto Auction, Inc.
(An Anglo American Auto Auction)
3333 N. Oregon
Pasco, WA 99302
(509) 547-1701
FAX (509) 545-9268
Thursday 11:30 A.M.

WISCONSIN

Central Wisconsin Auto Auction, Inc.
9107 Schofield Ave.
Schofield, WI 54476
(715) 359-8495
FAX (715) 359-7895
Monday 6:00 P.M.

Fox Valley Auto Auction, Inc.
Rt. 3 10 miles S. Green Bay,
Hwy. 41
P.O. Box 3127
DePere, WI 54115
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Tuesday 11:30 A.M.

Metro Milwaukee Auto Auction
561 So. Hwy 41
Caledonia, WI 53108
(414) 835-4436
FAX (414) 835-2684
Wednesday 10:00 A.M.

Please add to the **National Association of Fleet Resale Dealers** listing on **pages 186-187**:

Amerifleet, Inc.
Terry Rutter
4388 Groveport Rd.
Columbus, OH 43207
(614) 497-1225
FAX (614) 497-1250

BNE Vehicle Leasing, Inc.
Peter DeLoffi
P.O. Box 6116
Boston, MA 02209
(800) 841-2277
(617) 573-2200
FAX (800) 446-1051

Fleet Lease Disposal
Terry Vasterling
180 E. Highway 434
Longwood, FL 32750
(407) 339-8294
FAX (407) 339-0703

General Mills, Inc.
C.R. Livermore
P.O. Box 1113
Minneapolis, MN 55440
(612) 540-4394

H.M. Dodd Motor Co.
George Dodd
111 North Wood
Gilmer, TX 75644
(214) 842-5521
FAX (214) 843-2164

Marvin Frank Motor Co., Inc.
Marvin Frank
4815 Katy Freeway
Houston, TX 77007
(713) 868-2252
FAX (713) 868-1772

Pye's Auto Sales
Sidney Pye
11606 Eastex Freeway
Houston, TX 77093
(713) 442-6034
FAX (713) 442-0359

Steel Valley Auto Sales
Willard L. Davis
1225 University Blvd.
Steubenville, OH 43952
(614) 283-2277

The Auto Store, Inc.
Stanley B. Woolman
2001 Byberry Rd.
Philadelphia, PA 19116
(215) 676-9700
FAX (215) 464-7039

USED CARS

The following are average used-car prices for the period ending May 3, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3
87 BUICK SKYHAWK Cust Coupe	5305	5358	5198	86 DODGE 600 Sdn	4688	4735	4592	87 OLDS CUTLASS SUPREME Coupe	7726	7803	7573
87 BUICK CENTURY Cust Sdn	5385	5439	5277	87 FORD ESCORT Htchbk 4 Dr GL Series	4340	4382	4251	86 OLDS CUTLASS SUPREME Coupe	6161	6223	6038
87 BUICK CENTURY Cust Sdn	6762	6830	6627	86 FORD ESCORT Htchbk 4 Dr L Series	3169	3200	3103	86 OLDS CUTLASS SUPREME Sedan	6007	6065	5884
86 BUICK CENTURY Cust Sdn	5519	5574	5410	87 FORD MUSTANG LX-4 Cpe	5834	5892	5715	87 OLDS 98 Regency Sedan	9959	10,057	9761
87 BUICK SKYLARK Cust Sdn	6725	6791	6591	86 FORD MUSTANG LX-4 Cpe	4676	4720	4580	86 OLDS 98 Rgcy Sedan	8180	8260	8015
86 BUICK SKYLARK Cust Sdn	5553	5607	5441	87 FORD TAURUS GL Sdn 4 Dr	7124	7196	6981	87 PLYMOUTH HORIZON Htchbk 5 Dr	3909	3948	3833
87 BUICK SOMERSET Coupe	6725	6791	6591	87 FORD TEMPO GL Sdn 4 Dr	5110	5161	5007	86 PLYMOUTH HORIZON Htchbk 4 Dr	2998	3027	2937
87 BUICK RIVIERA Coupe	10,169	10,269	9,964	86 FORD TEMPO GL Sdn 4 Dr	4058	4096	3974	87 PLYMOUTH RELIANT Sedan	4878	4919	4772
86 BUICK RIVIERA Coupe	8833	8920	8654	86 FORD LTD Sdn	4182	4221	4100	86 PLYMOUTH RELIANT Sedan	3781	3819	3705
87 BUICK LE SABRE Cust Sdn	8444	8526	8272	87 FORD CROWN VIC Sdn	9014	9105	8837	87 PLYMOUTH CARAVELLE SE Sedan	5590	5645	5475
87 CADILLAC DE VILLE Cpe Sdn	13,087	13,218	12,825	86 FORD CROWN VIC Sdn	7478	7554	7327	87 PLYMOUTH GRAN FURY Salon Sedan	5488	5544	5380
86 CADILLAC DE VILLE Cpe Sdn	10,490	10,590	10,283	87 FORD THUNDERBIRD Cpe	8000	8081	7840	86 PLYMOUTH GRAN FURY Salon Sedan	4468	4511	4378
87 CADILLAC SEVILLE Sdn	15,133	15,286	14,829	86 FORD THUNDERBIRD Cpe	6379	6442	6252	87 PONTIAC SUNBIRD SE Coupe	5189	5240	5083
86 CADILLAC SEVILLE Sdn	13,013	13,141	12,751	87 LINCOLN CONTINENTAL Sdn	14,810	14,957	14,511	86 PONTIAC SUNBIRD SE Coupe	5110	5160	5007
87 CHEVY CAMARO Cpe	6841	6909	6703	86 LINCOLN CONTINENTAL Sdn	12,034	12,155	11,794	87 PONTIAC 6000 Coupe	7776	7852	7619
86 CHEVY CAMARO Cpe	5818	5876	5702	87 MERCURY COUGAR LS Cpe	8420	8504	8253	86 PONTIAC 6000 Coupe	7861	7941	7704
87 CHEVY CAVALIER Sdn	4936	4985	4837	86 MERCURY COUGAR LS Cpe	7074	7145	6932	87 PONTIAC GRAND AM Sedan	6933	7004	6794
86 CHEVY CAVALIER Sdn	3990	4032	3912	87 MERCURY TOPAZ GS Sdn 4 Dr	5146	5194	5039	87 PONTIAC FIREBIRD Coupe	6916	6984	6776
87 CHEVY CELEBRITY Sdn	6072	6133	5950	86 MERCURY TOPAZ GS Sdn 4 Dr	4121	4161	4038	86 PONTIAC FIREBIRD Coupe	5891	5949	5773
86 CHEVY CELEBRITY Sdn	4823	4871	4726	87 MERCURY MARQUIS Sdn	4261	4303	4176	87 PONTIAC BONNEVILLE Sedan	8488	8576	8318
87 CHEVY CAPRICE Sdn	6972	7042	6832	87 MERCURY GRAND MARQUIS Sdn GS	10,222	10,323	10,017	86 PONTIAC BONNEVILLE Sedan	5754	5812	5639
87 CHEVY CORSICA Sdn	5820	5880	5705	86 MERCURY GRAND MARQUIS Sdn	8087	8169	7927	87 PONTIAC GRAND PRIX Coupe	7760	7838	7606
87 CHEVY BERETTA Cpe	6285	6348	6158	87 NISSAN SENTRA Sedan 2 Dr	4167	4208	4082	86 PONTIAC GRAND PRIX Coupe	6248	6311	6121
87 CHRYSLER LE BARON Sdn	6030	6090	5909	87 NISSAN STANZA E Ntch 4 Dr	6608	6674	6475	87 TOYOTA COROLLA Sedan 4 Dr Deluxe	5781	5837	5664
86 CHRYSLER LE BARON Cpe Sdn	4877	4925	4780	87 NISSAN MAXIMA SE Sedan	10,001	10,100	9800	87 TOYOTA CAMRY Sedan 4 Dr Deluxe	8468	8553	8299
87 CHRYSLER FIFTH AVENUE Sdn	9201	9292	9016	86 NISSAN SENTRA Std Sedan 2 Dr	3083	3114	3022	87 TOYOTA CRESSIDA Lux Sedan	12,242	12,363	11,996
86 CHRYSLER FIFTH AVENUE Sdn	7691	7767	7539	86 NISSAN STANZA GL Ntch 4 Dr	5275	5326	5169	86 TOYOTA COROLLA Sedan 4 Dr Deluxe	4727	4775	4532
87 DODGE OMNI AMERICA Htchbk 5 Dr	3935	3975	3858	86 NISSAN MAXIMA SE Sedan	8165	8247	8002	86 TOYOTA CAMRY Sedan 4 Dr Deluxe	6359	6422	6232
86 DODGE OMNI Htchbk 4 Dr	3004	3031	2942	87 OLDS FIRENZA Sedan	5385	5439	5277	86 TOYOTA CRESSIDA Lux Sedan	9664	9761	9471
87 DODGE ARIES Sdn	4866	4914	4767	86 OLDS FIRENZA Sedan	4359	4400	4270	87 VOLKSWAGEN JETTA Sedan 4 Dr	8504	8570	8375
86 DODGE ARIES Sdn	3797	3835	3721	87 OLDS CIERA S Coupe	6745	6812	6610	86 VOLKSWAGEN JETTA Sedan 4 Dr	5505	5560	5395
87 DODGE DIPLOMAT Sin Sdn	5495	5551	5387	86 OLDS CIERA LS Coupe	5390	5444	5281				
86 DODGE DIPLOMAT Sin Sdn	4457	4503	4367	87 OLDS CALAIS Sedan	6720	6785	6585				

CALENDAR

JUNE

6-8—Motor Fleet Safety for Supervisors, University of Delaware, Wilmington, DE. Information (302) 573-4435.

11-15—Electric Utilities Fleet Managers Association Conference, Williamsburg Lodge & Conference Center, Williamsburg, VA.

20-22—National Association of Fleet Administrators, The Professional Fleet Management Series, The Brown Hotel, Louisville, KY. Information: (201) 494-8100.

27-28—Runzheimer International's Mobility Management Conference, Woodfield Hilton and Towers, Arlington Heights, IL. Information: (800) 942-9929.

JULY

7-9—The Consumer Security Product Show, Los Angeles Convention Center, North Hall, Los Angeles, CA. Information: (213) 376-8788 Ext. 55.

11-13—Maintenance of Commercial Vehicles, University of Delaware, Wilmington, DE. Information (302) 573-4435.

12-14—International Trucking Show, Convention Center, Anaheim, CA. Information (415) 349-4876.

30-Aug. 2—NAFA Law Enforcement Conference, Pheasant Run Resort, St. Charles, IL. Information: (201) 494-8100.

AUGUST

26-30—International Association of Fire Chiefs, Annual Convention, The Westin Hotel, Indianapolis, IN. Information: (202) 833-3402.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Little Rock, AR	138.0c	116.4c
Santa Ana, CA	157.9	117.4
Hartford, CT	138.4	124.2
Wilmington, DE	141.4	105.9
Jacksonville, FL	146.4	108.3
Swainsboro, GA	119.5	96.4
Maui, HI	185.2	145.2
Chicago, IL	159.9	120.5
Shreveport, LA	147.4	111.4
Royal Oak, MI	166.4	117.9
Kansas City, MO	135.8	106.6
Albuquerque, NM	134.4	112.6
New York City, NY	123.9	96.9
Galveston, TX	137.6	104.9
Seattle, WA	137.3	109.2

Survey conducted during the first five working days of May 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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96, 101

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1990 Buick Regal Sedan

'90 Fleet Programs
Managing Small Fleets
Selecting For Execs

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



JULY 1989
VOL. 28, NO. 9

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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On the cover: Standing behind the 1990 Buick Regal sedan are (l. to r.) Jim Pirtle, Buick division director of fleet sales, Bob Coletta, Buick's general sales and service manager, and Ed Mertz, general manager of Buick and GM vice president.

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COMPUTERIZATION

Fleet costs can be improved by the management capabilities of computers. Among other things, many fleet administrators use computers to schedule PM services, identify excessive maintenance costs, or store vehicle records.

Tracking Maintenance With Computers

Managers of smaller fleets, who are able to manually track their vehicles more easily than managers of large fleets, may consider the computer an unjustified expense. However, the increasing sophistication and decreasing cost of computer hardware, along with the availability of software programs for smaller fleets (under 100 vehicles), have made it feasible to computerize virtually every fleet management system.

At larger fleets, keeping records manually is virtually impossible. Consequently, in-house or lessor's computers and the data they provide are becoming basic to successful fleet management.

The results of a *Runzheimer Reports on Transportation* survey indicate that computers can be a major resource for managers to use in monitoring and controlling fleet costs. Basically, programs designed for fleet management help in storing and tracking vehicle records and providing focused reports. Many fleet managers use computers to identify irregularities in scheduled preventive maintenance services or deviations from standard maintenance costs.

Applications

The survey indicated that 83 percent of the respondents use com-

puters as a tool in the management of their fleets, either in-house or through the computers of their lessors or service vendors. To help schedule preventive maintenance services, fleet management can use a computer to generate several types of reports, including:

- **Oil change reports**, that summarize the frequency of oil changes for each vehicle in the fleet. Oil changes and vehicle inspections are the most important components of any preventive maintenance program. Any driver failing to change oil at the recommended intervals (an interim usually established by the fleet manager) can be highlighted on the computer screen or on a printout.

This type of report can also generate a postcard reminding drivers when to change their oil.

- **Tire purchase reports**, itemizing tire purchases for each fleet vehicle. This report can specify the most recent tire purchase and the total number of purchases for each make and type of vehicle. In addition, it can generate statistics such as average cost per tire and can be used to "red-flag" excessive costs on tire purchases, plus mileage intervals for replacing tires.

- **Area reports**, which help managers track the expenses and other operating characteristics of vehicles and drivers assigned to a specific area. Individualized reports can be prepared for each unit to monitor vehicle expenses at each operating management level.

- **Production reports**, highlighting fuel economy and subsequent cost per mile of various vehicles. Fleet managers can use these reports to determine whether a unit requires a major tune-up, is no longer economical to operate, or if it should be considered for disposal (Tables 3 and 5).

- **Type of unit analyses**, summarizing the cost of each unit operating

Computerized Management Reports	
	Percent of Respondents
Respondents that receive computer reports	83
Respondents that do not receive computer reports	17
TOTAL	100
Source: Runzheimer	

Table 1

model and number of cylinders. The analysis may also compare the actual operating costs among different vehicle models and sizes, giving useful background for future vehicle selections. Manufacturer service recommendations also can be programmed into these analyses.

Data Management

Almost two-thirds (64 percent) of the respondents use in-house computers. Over one-half (57 percent) maintain computerized records of vehicle maintenance and repair costs, and 54 percent have a personal computer available for fleet management purposes (Table 2).

Only 33 percent of the totally leased fleets surveyed have access to their lessors' mainframe computer through a terminal-to-terminal connection (Table 4). Generally, these are large fleets working with large leasing companies.

Three percent of the managers of company-owned fleets rely on a lessor's computer for fleet management data. These respondents may use some of the management services offered by leasing companies, such as vehicle maintenance records and vehicle purchasing data.

Respondent Profile

To identify your own fleet with the statistical results of the survey, Table 6 profiles the respondents by the number of units in their fleets. Fleets with 101-300 vehicles comprised 29 percent of the responding administrators, with 26 percent operating 100 or fewer vehicles. The remaining respondent fleets individually operate between 300 and 1,000-plus units.

The survey also indicated that 43 percent of the responding fleets were company-owned, while the remainder were either totally leased or controlled by mixed management programs (Table 7). Additionally, results on the business classifications of responding fleets revealed that utility fleet managers comprised 19

How Respondents Use In-House Computers

Uses of In-House Computers	Percent of Respondents*
Company maintains computerized records of fleet costs	64
Company maintains computerized records of vehicle maintenance and repair costs	57
Company makes a personal computer (mini-computer) available for fleet management purposes	54
Company maintains computerized records of vehicle maintenance history	50

*Total exceeds 100% because of multiple answers.

Source: Runzheimer

Table 2

Computerized Reports Respondents Generated In-House

Type of Reports	Percent of Respondents*
Production report (mpg and cost-per-mile)	72
Type of unit analysis (cost of individual units)	71
Area report (car cost data by divisions, branches, regions)	62
Oil change reports (shows frequency of oil change)	58
Tire purchase reports (tracks tire purchases)	44

*Total exceeds 100% because of multiple answers.

Source: Runzheimer

Table 3

Companies With On-Line Direct Access to Leasing Company Computers

Type of Management	Percent of Respondents*	
	With On-Line Direct Access	Without On-Line Direct Access
Totally leased	33	67
Totally company-owned	4	96
Company-owned & leased	3	97
Others	0	100

*Total exceeds 100% because of multiple answers.

Source: Runzheimer

Table 4

COMPUTERIZATION

percent of the respondents, while 14 percent of the respondents were managers of government fleets.

The other 67 percent manage insurance, manufacturing, retail, and other types of fleets (Table 8).

The source of this article is a survey conducted by Runzheimer Reports on Transportation. **AR**

Computerized Reports Respondents Obtain From a Leasing Company

Reports	Percent of Respondents*
Type of unit analysis (cost of individual units)	78
Production report (mpg and cost-per-mile)	62
Area report (car cost data by divisions, branches, regions)	59
Tire purchase reports (tracks tire purchases)	54
Oil change reports (shows frequency of oil change)	43

*Total exceeds 100% because of multiple answers.

Table 5

Source: Runzheimer

New Software Helps Smaller Fleets

Fleets operating between 50 and 500 vehicles can now utilize a computer-based system to record, track, analyze, and forecast all aspects of fleet asset management. ACT Computer Services Ltd., a Canadian firm specializing in fleet management software, is now marketing its products in the United States.

ACT's newest product, Equipment Management System (EMS/PC), is based on the IBM PC platform, and offers many of the functions of ACT's flagship product Mobile Equipment Services Information System (MESIS). In conjunction with Prototype Inc., ACT has developed EMS/PC to enable fleet managers to work in a paperless maintenance environment by utilizing hand-held bar-

code data entry devices.

With EMS/PC, a fleet's computer system can be used as a tool to accept and edit raw data and produce displays and reports for all levels of management. Among the areas EMS/PC concentrates on are equipment inventory and characteristics, equipment productivity, labor productivity, and parts and fuel inventories.

In order to manage and operate a fleet's assets, and to make more informed business decisions, data must be well organized and readily available. To reduce unnecessary costs for fleet operations, inadequate information must be updated and stored in a more efficient manner.

Circle 201 on Inquiry Card

Statistical Profile of Responding Fleets

Number of Cars	Percent of Respondents
100 or Fewer	26
101-300	29
301-500	13
501-1,000	15
1,001 or More	17
TOTAL	100

Table 6

Type of Fleet Management

Type of Management	Percent of Respondents
Totally company-owned	43
Totally leased	21
Company-owned & leased	24
Others	12
TOTAL	100

Table 7

Business Classification Of Respondents

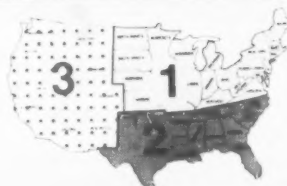
Business Classification	Percent of Respondents
Utility	19
Government	14
Insurance	10
Mfg., Industrial	10
Service	7
Financial Institution	6
Food/Beverage	6
Chemical/Petroleum	5
Mfg., Consumer	5
Drug/Cosmetic	4
Other*	14
Total	100

*Includes retail, construction, and mining respondents.

Table 8

USED CARS

The following are average used-car prices for the period ending June 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE				AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3	Model	Zone 1	Zone 2	Zone 3
87 BUICK SKYHAWK				86 DODGE 600				87 OLDS CUTLASS SUPREME			
Cust Coupe	5252	5304	5146	Sdn	4632	4678	4537	Coupe	7649	7725	7497
Cust Sdn	5331	5385	5225	87 FORD ESCORT				Sedan	7649	7725	7497
87 BUICK CENTURY				Htchbk 4 Dr GL Series	4280	4321	4191	86 OLDS CUTLASS SUPREME			
Cust Sdn	6681	6748	6548	86 FORD ESCORT				Coupe	6112	6173	5990
86 BUICK CENTURY				Htchbk 4 Dr L Series	3125	3156	3059	Sedan	6959	6017	5837
Cust Sdn	5464	5518	5356	87 FORD MUSTANG				87 OLDS 98			
87 BUICK SKYLARK				LX-4 Cpe	5752	5810	5635	Regency Sedan	9859	9957	9663
Cust Sdn	6631	6696	6499	86 FORD MUSTANG				86 OLDS 98			
86 BUICK SKYLARK				LX-4 Cpe	4620	4663	4525	Rgcy Sedan	8114	8194	7951
Cust Sdn	5486	5540	5376	87 FORD TAURUS				87 PLYMOUTH HORIZON			
87 BUICK SOMERSET REGAL				GL Sdn 4 Dr	7039	7110	6897	Htchbk 5 Dr	3855	3893	3779
Coupe	6631	6696	6499	87 FORD TEMPO				86 PLYMOUTH HORIZON			
87 BUICK RIVIERA				GL Sdn 4 Dr	5048	5099	4947	Htchbk 4 Dr	2956	2985	2986
Coupe	10,067	10,167	9,864	86 FORD TEMPO				87 PLYMOUTH RELIANT			
86 BUICK RIVIERA				GL Sdn 4 Dr	4002	4039	3918	Sedan	4812	4861	4715
Coupe	8727	8814	8550	86 FORD LTD				86 PLYMOUTH RELIANT			
87 BUICK LE SABRE				Sdn	4140	4185	4059	Sedan	3729	3767	3653
Cust Sdn	8360	8441	8190	87 FORD CROWN VIC				87 PLYMOUTH CARAVELLE			
87 CADILLAC DE VILLE				Sdn	8888	8978	8714	SE Sedan	5523	5577	5410
Cpe	12,892	13,021	12,634	86 FORD CROWN VIC				87 PLYMOUTH GRAN FURY			
Sdn	13,050	13,182	12,791	Sdn	7404	7478	7254	Salon Sedan	5412	5466	5305
86 CADILLAC DE VILLE				87 FORD THUNDERBIRD				86 PLYMOUTH GRAN FURY			
Cpe	10,386	10,492	10,180	Cpe	7920	8001	7762	Salon Sedan	4406	4448	4317
Sdn	10,523	10,629	10,313	86 FORD THUNDERBIRD				87 PONTIAC SUNBIRD			
87 CADILLAC SEVILLE				Cpe	6315	6378	6190	SE Coupe	5117	5167	5012
Sdn	14,255	14,398	13,970	87 LINCOLN CONTINENTAL				Sedan	5038	5088	4937
86 CADILLAC SEVILLE				Sdn	14,633	14,778	14,337	86 PONTIAC SUNBIRD			
Sdn	12,883	13,010	12,624	Town Car Sdn	13,427	13,560	13,157	SE Coupe	4225	4266	4140
87 CHEVY CAMARO				Mark VII Cpe	14,383	14,528	14,096	Sedan	4191	4233	4107
Cpe	6759	6826	6622	86 LINCOLN CONTINENTAL				87 PONTIAC 6000			
86 CHEVY CAMARO				Sdn	12,866	12,986	11,629	Coupe	6191	6253	6068
Cpe	5748	5806	5633	Town Car Sdn	10,923	11,035	10,706	Sedan	6265	6326	6141
87 CHEVY CAVALIER				Mark VII Cpe	11,637	11,754	11,405	86 PONTIAC 6000			
Sdn	4867	4915	4769	87 MERCURY COUGAR				Coupe	4957	5006	4859
86 CHEVY CAVALIER				LS Cpe	8336	8419	8171	Sedan	5015	5066	4916
Sdn	3950	3992	3873	86 MERCURY COUGAR				87 PONTIAC GRAND AM			
87 CHEVY CELEBRITY				LS Cpe	7004	7073	6863	Sedan	6850	6920	6712
Sdn	5897	6047	5867	87 MERCURY TOPAZ				87 PONTIAC FIREBIRD			
86 CHEVY CELEBRITY				GS Sdn 4 Dr	5084	5132	4979	Coupe	6833	6900	6695
Sdn	4765	4813	4670	86 MERCURY TOPAZ				86 PONTIAC FIREBIRD			
87 CHEVY CAPRICE				GS Sdn 4 Dr	4063	4103	3982	Coupe	5821	5878	5704
Sdn	6868	6937	6730	86 MERCURY MARQUIS				87 PONTIAC BONNEVILLE			
87 CHEVY CORSICA				Sdn	4219	4260	4134	Sedan	8387	8473	8218
Sdn	5721	5781	5608	87 MERCURY GRAND MARQUIS				86 PONTIAC BONNEVILLE			
87 CHEVY BERETTA				Sdn GS	9503	9597	9311	Sedan	5696	5754	5583
Cpe	6179	6241	6054	86 MERCURY GRAND MARQUIS				87 PONTIAC GRAND PRIX			
87 CHRYSLER LE BARON				Sdn	4219	4260	4134	Coupe	7682	7760	7530
Sdn	5940	5999	5821	87 NISSAN SENTRA				86 PONTIAC GRAND PRIX			
86 CHRYSLER LE BARON				Sedan 2 Dr	4063	4103	3980	Coupe	6198	6260	6072
Cpe	4809	4857	4714	87 NISSAN STANZA				87 TOYOTA COROLLA			
Sdn	4857	4905	4761	E Ntch 4 Dr	6443	6507	6313	Sedan 4 Dr Deluxe	5636	5691	5522
87 CHRYSLER FIFTH AVENUE				87 NISSAN MAXIMA				87 TOYOTA CAMRY			
Sdn	9073	9162	8890	SE Sedan	9751	9847	9555	Sedan 4 Dr Deluxe	8256	8339	8092
86 CHRYSLER FIFTH AVENUE				86 NISSAN SENTRA				87 TOYOTA CRESSIDA			
Sdn	7561	7636	7411	Std Sedan 2 Dr	3006	3036	2946	Lux Sedan	11,936	12,054	11,696
87 DODGE OMNI AMERICA				86 NISSAN STANZA				86 TOYOTA COROLLA			
Htchbk 5 Dr	3880	3919	3804	GL Ntch 4 Dr	5143	5193	5040	Sedan 4 Dr Deluxe	4609	4656	4516
86 DODGE OMNI				86 NISSAN MAXIMA				86 TOYOTA CAMRY			
Htchbk 4 Dr	2962	2989	3804	SE Sedan	7961	8041	7802	Sedan 4 Dr Deluxe	6200	6261	6076
87 DODGE ARIES				87 OLDS FIRENZA				86 TOYOTA CRESSIDA			
Sdn	4798	4846	4701	Sedan	5331	5385	5225	Lux Sedan	9422	9517	9234
86 DODGE ARIES				86 OLDS FIRENZA				87 VOLKSWAGEN JETTA			
Sdn	3744	3781	3669	Sedan	4315	4356	4228	Sedan 4 Dr	6439	6504	6311
87 DODGE DIPLOMAT				87 OLDS CIERA				86 VOLKSWAGEN JETTA			
Sin Sdn	5419	5473	5312	S Coupe	6664	6731	6531	Sedan 4 Dr	5450	5504	5341
86 DODGE DIPLOMAT				Sedan	6741	6808	6605				
Sin Sdn	4395	4440	4306	86 OLDS CIERA							
87 DODGE 600				LS Coupe	5336	5390	5229				
Sdn	5635	5692	5523	LS Sedan	5401	5454	5295				
				87 OLDS CALAIS							
				Sedan	6626	6691	6495				

CALENDAR

JULY

7-9—The Consumer Security Product Show, Los Angeles Convention Center, North Hall, Los Angeles, CA. Information: (213) 376-8788 Ext. 55.

11-12—1989 Washington Conference and Exhibition on Underground Storage Tanks, Radisson Mark Plaza Hotel, Alexandria, VA. Information: (800) 424-9068.

11-13—Maintenance of Commercial Vehicles, University of Delaware, Wilmington, DE. Information (302) 573-4435.

12-14—International Trucking Show, Convention Center, Anaheim, CA. Information (415) 349-4876.

30-Aug. 2—NAFA Law Enforcement Conference, Pheasant Run Resort, St. Charles, IL. Information: (201) 494-8100.

AUGUST

26-30—International Association of Fire Chiefs, Annual Convention, The Westin Hotel, Indianapolis, IN. Information: (202) 833-3402.

SEPTEMBER

7-9—Eighth Annual Land Mobile Expo East, Orange County Convention Center, Orlando, FL. Information: (303) 220-0600.

10-14—American Association of Motor Vehicle Administrators Annual Conference, Fairmont Hotel, New Orleans, LA. Information: (703) 522-4200.

13-16—National Association of Fleet Resale Dealers Fifth Annual Conference, Las Vegas Tropicana Hotel, Las Vegas, NV. Information: (213) 838-3168.

15-19—1989 International Baking Industry Exposition, Las Vegas Convention Center, Las Vegas, NV. Information: (202) 296-5800.

17-18—American Automotive Leasing Association's Mid-Year Meeting, Four Seasons Hotel, Chicago, IL. Information: (202) 223-2600.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Juneau, AK	165.9c	152.2c
Kingman, AZ	160.6	130.9
Pasadena, CA	133.9	106.9
Pueblo, CO	131.9	115.6
Miami, FL	137.9	105.5
Wichita, KS	137.2	106.3
Worcester, MA	127.4	104.9
Rochester, MN	150.9	115.9
St. Charles, MO	122.9	97.4
Raleigh, NC	143.4	121.4
New York City, NY	128.4	96.9
Uniontown, PA	118.5	103.9
Chattanooga, TN	147.9	114.6
Dallas, TX	143.1	105.7
Madison, WI	148.9	116.4

Survey conducted during the first five working days of June 1989.
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august 1989

automotive **FLEET**

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Selector List Recommendations
More '90 Fleet Programs
Personal Use Survey
'90 Model Previews



1990 Chrysler Imperial and
New Yorker Fifth Avenue

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



AUGUST 1989
VOL. 28, NO. 10

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

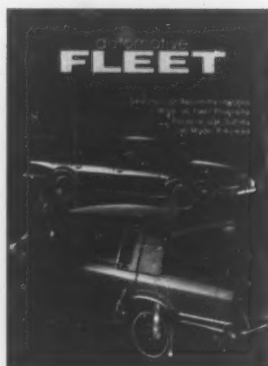
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RECOMMENDATIONS

In reviewing 1990-model year fleet recommendations from the industry's major leasing companies, more import models have appeared and more specific vehicle classifications have been developed.

1990 Lessor Recommendations

ARI

A smoothly run fleet begins with the selection of the *right* vehicles. While each fleet manager has a specific criteria that must be met, the overall goal, according to ARI, is to assemble a fleet which is operationally efficient, cost-effective, good for driver morale, and compatible with a company's image. Choosing the right options for fleet vehicles is important also, as they both satisfy drivers' needs and help increase the resale value of a vehicle. ARI has suggested that the following basic minimum equipment be ordered on all vehicles, regardless of make or model: automatic transmission, air conditioning, power steering and brakes, AM/FM stereo radio, tinted glass, bodyside moldings, wheel covers, cloth interior, and rear window defroster.

Subcompact

Make/Model

(Four-door Sedan or Hatchback when possible)

Chevrolet Cavalier
Dodge Shadow
Ford Escort

Plymouth Sundance
Pontiac Sunbird

Compact

Make/Model

(Four-door Sedan or Hatchback when possible)

Chevrolet Corsica
Dodge Spirit
Ford Tempo

Oldsmobile Cutlass Calais
Pontiac Grand Am

Cruise Control, Rear Window Defroster, Whitewall Tires, Six-Cylinder Engine (where available).

Mid-Size

Make/Model

(Two-door and Four-door Sedan)

Buick Regal
Chevrolet Lumina
Dodge Dynasty

Oldsmobile Cutlass Supreme
Pontiac Grand Prix
Pontiac 6000

Ford Taurus
Mercury Sable

Toyota Camry

Cruise Control, Rear Window Defroster, Whitewall Tires, Six-Cylinder Engine.

Two-Door Specialty

Make/Model

Chrysler LeBaron Coupe
Ford Thunderbird
Mercury Cougar

Cruise Control, Power Windows, Rear Window Defroster, Whitewall Tires, Tilt Wheel, Six-Cylinder Engine.

Full-Size/Utility

Make/Model

(Four-Door Sedan)

Chevrolet Caprice
Ford LTD Crown Victoria "S"

Cruise Control, Rear Window Defroster, Whitewall Tires, Six-Cylinder Engine.

Full-Size/Management

Make/Model

(Four-Door Sedan)

Buick LeSabre
Chrysler New Yorker Salon
Ford LTD Crown Victoria

Mercury Grand Marquis
Oldsmobile 88 Royale
Pontiac Bonneville

Cruise Control, Power Windows, Door Locks and Seats, Tilt Wheel, Rear Window Defroster, Whitewall Tires, Eight-Cylinder Engine (where available).

Wagon/Subcompact/Compact

Make/Model

Chevrolet Cavalier
Ford Escort

Wagon/Mid-Size/Full-Size

Make/Model

Chevrolet Celebrity
Chevrolet Lumina
Dodge Caravan

Mercury Sable
Oldsmobile Silhouette
Plymouth Voyager

RECOMMENDATIONS

Ford Taurus
Mercury Sable

Pontiac Trans Sport
Toyota Camry

ASSOCIATES LEASING, INC.

Determining the type of vehicle, equipment level, and replacement cycling program best suited to a particular fleet should be done after considering a variety of elements, suggests Associates Leasing, including the intended application of a vehicle, its estimated monthly mileage, planned preventive maintenance schedule, geographic area of operation, company image, and fleet budget. The following recommendations in several categories are based on extensive research into acquisition costs, operating costs, and resale value.

Executive/Luxury Class

Make/Model

Buick Electra	Lincoln Town Car
Buick Riviera	Mercury Grand Marquis LS
Chrysler New Yorker Fifth Avenue/ New Yorker Landau	Nissan Maxima
Chrysler TC	Oldsmobile 98 Regency
Lincoln Continental	Oldsmobile Toronado
Lincoln Mark VII	Toyota Cressida

Equipment: Air Conditioning, AM/FM Stereo w/Cassette, Tinted Glass, Cruise Control, Dual Remote Mirrors, Floor Mats, Body Side Moldings, Power Door Locks, Rear Window Defroster, Steel Belted Radial Whitewall Tires, Wire Wheel Covers, Power Windows, Power Seats, Tilt Steering Wheel, and Remote Trunk Release.

Recommended Replacement Cycling: 36 months or 50,000 miles.

Full-Size

Make/Model

Buick LeSabre	Ford LTD Crown Victoria
Chevrolet Caprice	Oldsmobile 88 Royale
Chrysler New Yorker Salon	Pontiac Bonneville
Eagle Premier	

Equipment: Air Conditioning, AM/FM Stereo, Tinted Glass, Body Side Moldings, Dual Mirrors/Left-Hand Remote, Steel Belted Radial Whitewall Tires, Full Wheel Covers, Floor Mats, Cruise Control, Tilt Steering Wheel, Rear Window Defroster, Power Door Locks, Eight-Cylinder Engine (where available).

Recommended Replacement Cycling: 36 months or 55,000 miles.

Intermediate — Class I & II

Make/Model

Buick Century	Mercury Sable
Chevrolet Lumina	Oldsmobile Cutlass Ciera
Chrysler LeBaron Landau	Oldsmobile Cutlass Supreme
Dodge Dynasty	Pontiac Grand Prix
Ford Taurus	Pontiac 6000 LE

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Tinted Glass, Body Side Moldings, Power Steering, Power Brakes, Floor Mats, Tilt Steering Wheel, Left-Hand Remote Mirror, Cruise Control, Rear Window Defroster, Deluxe Wheel Covers, and Steel Belted Radial Whitewall Tires.

Recommended Replacement Cycling: 36 months or 55,000 miles.

Compact

Make/Model

Buick Skylark	Oldsmobile Cutlass Calais
---------------	---------------------------

Chevrolet Corsica
Dodge Spirit
Ford Tempo
Mercury Topaz

Plymouth Acclaim
Pontiac Grand Am
Toyota Camry

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Floor Mats, Tinted Glass, Body Side Moldings, Dual Mirrors/Left-Hand Remote, Power Steering, Power Brakes, Steel Belted Radial Whitewall Tires, Deluxe Wheel Covers, Rear Window Defroster, Cruise Control, Tilt Steering Wheel, Four-Cylinder Engine.

Recommended Replacement Cycling: 36 months or 55,000 miles.

Subcompact

Make/Model

Buick Skyhawk	Nissan Pulsar
Chevrolet Cavalier	Nissan Sentra
Dodge Omni	Plymouth Sundance
Dodge Shadow	Pontiac LeMans
Ford Escort	Pontiac Sunbird
Ford Festiva	Toyota Corolla
Mercury Tracer	Toyota Tercel

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Tinted Glass, Floor Mats, Full Wheel Covers, Left-Hand Remote Mirror, Power Steering, Power Brakes, Steel Belted Radial Whitewall Tires, Body Side Moldings, and Rear Window Defroster, Four-Cylinder Engine.

Recommended Replacement Cycling: 36 months or 55,000 miles.

Station Wagons

Make/Model

Buick Century	Mercury Colony Park
Buick Estate	Mercury Sable
Buick Skyhawk	Mercury Tracer
Chevrolet Caprice Classic	Nissan Sentra
Chevrolet Cavalier	Oldsmobile Custom Cruiser
Chevrolet Celebrity	Oldsmobile Cutlass Cruiser
Ford Crown Victoria/Country Squire	Pontiac 6000
Ford Escort	Toyota Camry
Ford Taurus	Toyota Corolla

DONLEN

Donlen Corp. evaluates three primary areas of selection parameters in developing fleet recommendations—acquisition, operating costs, and resale value. For the 1990-model year, Donlen emphasizes selection of models which offer the best collection of driver-oriented features per size classification category. Initial vehicle cost, available incentive programs, fuel efficiency, vehicle serviceability, and cycling time frames also are important factors which are weighed in vehicle selection. Especially in 1990, the lessor stresses the importance of seasonal replacements (fall and spring delivery), cycling not to exceed 55,000 miles, and ordering of options to enhance its resale value.

Subcompact

Make/Model

Dodge Shadow	Plymouth Sundance
Eagle Summit	Pontiac LeMans
Ford Escort	Toyota Corolla
Mercury Tracer	

RECOMMENDATIONS

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo, Body Side Moldings, Power Brakes, Power Steering, Rear Defroster and Tinted Glass.

Compact

Make/Model

Buick Skylark	Mercury Topaz
Chevrolet Cavalier	Oldsmobile Cutlass Calais
Chevrolet Corsica	Plymouth Acclaim
Dodge Spirit	Pontiac Grand Am
Ford Tempo	Pontiac Sunbird

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Power Brakes, Power Steering, Rear Defroster, Sport Mirrors, and Tinted Glass.

Intermediate — Class I

Make/Model

Buick Century	Nissan Stanza
Chevrolet Lumina	Oldsmobile Ciera
Chrysler LeBaron	Pontiac 6000
Dodge Dynasty	Toyota Camry
Ford Taurus	

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo, Body Side Moldings, Cruise Control, Delay Wiper, Floor Mats, Light and Convenience Group, Rear Defroster, Split Seat, Sport Mirrors, Tilt Steering, Tinted Glass, and White Wall Tires.

Intermediate — Class II

Make/Model

Buick Regal	Mercury Sable
Chrysler New Yorker Salon	Oldsmobile Cutlass Supreme
Eagle Premier	Pontiac Grand Prix

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo Cassette, Body Side Moldings, Cruise Control, Delay Wiper, Door Edge Guards, Floor Mats, Power Antenna, Power Locks, Power Windows, Rear Defroster, Split Seat, Tilt Steering, and White Wall Tires.

Full-Size

Make/Model

Buick LeSabre	Mercury Grand Marquis
Chevrolet Caprice	Oldsmobile 88 Royale
Chrysler New Yorker Landau	Pontiac Bonneville
Ford LTD Crown Victoria	

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo Cassette, Body Side Moldings, Cruise Control, Delay Wipers, Door Edge Guards, Dual Remote Mirrors, Floor Mats, Power Antenna, Power Locks, Power Seat - Driver, Power Trunk, Power Windows, Rear Defroster, Split Seat, Tilt Steering, and White Wall Tires.

Luxury

Make/Model

Buick Electra	Lincoln Town Car
Cadillac DeVille	Nissan Maxima
Cadillac Fleetwood	Oldsmobile 98 Regency
Chrysler Imperial	Toyota Cressida
Lincoln Continental	

Recommended Equipment: Standard—Plus: Air Conditioning, AM/FM Stereo Cassette, Bumper Guards, Cruise Control, Dual Power Mirrors, Floor Mats, Illuminated Visor Vanity Mirror, Light Group, Power Antenna, Power Driver Seat, Power Locks, Power Trunk, Pow-

er Windows, Rear Defroster, Tilt Steering, and Wire Wheels with Locks.

Specialty Coupes

Make/Model

Buick Regal	Mercury Cougar
Chrysler LeBaron	Oldsmobile Cutlass Supreme
Ford Thunderbird	Pontiac Grand Prix

Recommended Equipment: Standard—Plus: AM/FM Stereo Cassette, Cruise Control, Delay Wiper, Illuminated Visor Vanity Mirror, Light and Convenience Group, Power Antenna, Power Door Locks, Power Trunk, Power Windows, Rear Defroster, Tilt Steering, and Tinted Glass.

GE CAPITAL FLEET SERVICES

As the high-tech decade of the 1980s comes to a close, the automotive industry is embracing the 1990s by responding to demands for improved styling, performance, and service. In response to buyer demand, one of the strongest trends for the coming decade is improving acceleration, power, and handling at higher speeds. GE Capital Fleet Services' fleet recommendations for 1990 include acquisition cost and estimated city and highway mpg.

Luxury

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Park Avenue Ultra	\$24,977	17/24
Cadillac Brougham	\$24,882	17/24
Cadillac DeVille	\$24,957	17/25
Chrysler Imperial	\$21,122	18/26
Lincoln Town Car	\$24,496	17/24
Olds 98 Regency Brougham	\$20,722	18/25
Olds Toronado	\$23,227	19/28
Toyota Cressida	\$19,982	19/24

Full-Size

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick LeSabre	\$15,227	18/28
Chevrolet Caprice Classic	\$14,372	19/27
Eagle Premier	\$13,895	18/27
Ford Crown Victoria	\$15,274	17/24
Nissan Maxima GXE	\$15,669	19/26
Olds 88 Royale	\$15,055	18/24
Pontiac Bonneville	\$14,549	18/28

Specialty

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Regal	\$14,178	19/30
Chevrolet Beretta	\$11,882	20/27
Dodge Daytona	\$11,357	N/A
Ford Probe	\$12,671	24/31
Ford Thunderbird	\$14,703	21/27
Oldsmobile Cutlass Supreme	\$14,930	18/23
Pontiac Grand Prix LE	\$15,035	18/23

RECOMMENDATIONS

Mid-Size

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Century Custom	\$12,185	20/27
Chevrolet Lumina	\$11,501	19/30
Dodge Dynasty	\$11,406	18/26
Ford Taurus GL	\$12,296	21/29
Mazda 626 DX	\$11,288	24/31
Mercury Sable GS	\$13,912	21/29
Oldsmobile Cutlass Ciera	\$12,134	20/27
Pontiac 6000 LE	\$11,662	20/27
Toyota Camry DX		24/30

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front and Rear Mats, Body Side Moldings, and White Sidewall Tires.

Functional Compact

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Skylark	\$11,493	23/30
Chevrolet Corsica	\$10,645	24/31
Dodge Shadow	\$ 9,801	26/28
Ford Tempo GL	\$10,124	24/34
Mercury Topaz GS	\$10,372	22/26
Mazda 323 SE	\$ 9,502	28/33
Oldsmobile Cutlass Calais	\$11,257	24/32
Plymouth Acclaim	\$10,457	25/27
Plymouth Sundance	\$ 9,889	26/28
Pontiac Grand Am	\$11,224	23/31
Toyota Corolla DX	\$ 9,980	27/34
Volkswagen Jetta GL	\$10,926	25/34

Efficiency Subcompact

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Chevrolet Cavalier	\$ 9,934	25/32
Dodge Omni	\$ 8,494	27/29
Ford Escort	\$ 9,323	26/31
Mercury Tracer	\$ 9,771	28/35
Nissan Sentra E	\$ 9,760	26/30
Pontiac Sunbird	\$10,300	26/32
Toyota Tercel DX	\$ 9,642	28/32

Full-Size Wagon

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Estate	\$16,702	19/28
Chevrolet Caprice Classic	\$15,041	18/25
Ford Crown Victoria	\$15,373	17/24
Oldsmobile Custom Cruiser	\$16,253	16/22

U.S. FLEET LEASING

U.S. Fleet Leasing ranks all passenger cars within classes according to the projected total cost per month and cost per mile for 36 months. The components of total cost are fixed costs and operating costs. The estimates of cost are for operating each vehicle for 24 months at 50,000 miles or 36 months at 60,000 miles. The total cost leaders of each classification are USFL's key recommendations for the 1990-model year.

Key 1990 Recommendations

The top-ranked mid-size sedan is the all-new **Chevrolet Lumina**, the first four-door GM model built on the GM-10 platform. With a new-model status, low projected fixed and operating costs, and an early year introduction (May 1989), the Lumina, which replaces the Celebrity, offers more interior room, aerodynamic styling, and technological features designed to ease maintenance and improve performance.

The **Ford Taurus L** is also a highly-recommended mid-size sedan, as are the **Dodge Dynasty**, **Pontiac 6000 LE**, **Oldsmobile Cutlass Ciera SL**, **Mercury Sable GS**, and **Buick Century Custom**.

In other popular sizes, these are USFL's top-rated models:

Compact: **Ford Escort LX**
 Large Compact: **Oldsmobile Cutlass Calais**
 Large: **Pontiac Bonneville LE**
 Semi-Luxury: **Nissan Maxima GXE**
 Luxury: **Cadillac Coupe DeVille**
 Compact Station Wagon: **Ford Escort LX**
 Mid-Size Station Wagon: **Ford Taurus L**
 Large Station Wagon: **Chevrolet Caprice Classic**

LEASE PLAN USA

The 1990-model year appears to be not only one of refinement of most models, but one of challenge to the lessee as to which methods will keep operating expenses and depreciation efficiently managed. Because the first half of 1989 saw fuel prices rise approximately 20 cents per gallon nationwide, Lease Plan recommends a practical approach towards powering new vehicles. Mid-size vehicles are designed to perform best when equipped with the smallest V-6 engines available. In many cases, substituting the four-cylinder will not produce much better economy but rather will overwork the engine and shorten the life of a vehicle. On compact vehicles, though, four-cylinder engines are better suited rather than the V-6.

Subcompact

Dodge Colt E	Mercury Tracer
Dodge Omni	Nissan Sentra XE
Ford Escort LX	Plymouth Horizon America
Ford Festiva LX	Pontiac LeMans LE
Geo Metro	Toyota Corolla DX
Geo Prizm	Toyota Tercel DX
Geo Storm	

Compact

Buick Skylark Custom	Mercury Topaz GL
Chevrolet Cavalier	Nissan Sentra XE
Chevrolet Corsica	Oldsmobile Cutlass Calais
Dodge Shadow	Plymouth Sundance
Eagle Medallion	Pontiac Sunbird LE
Ford Tempo GL	Pontiac Grand Am LE

Mid-Size

Buick Century Custom	Oldsmobile Cutlass Ciera
Chevrolet Lumina	Plymouth Acclaim
Dodge Spirit	Pontiac 6000 LE
Ford Taurus L	Toyota Camry DX
Mercury Sable GS	

RECOMMENDATIONS

Full-Size

Buick Electra Limited	Eagle Premier LX
Buick LeSabre Custom	Ford LTD Crown Victoria
Chevrolet Caprice	Mercury Grand Marquis LS
Chrysler New Yorker Salon	Oldsmobile 88 Royale
Dodge Dynasty	Oldsmobile 98 Regency
	Pontiac Bonneville LE

Luxury

Buick Reatta	Chrysler Imperial
Buick Riviera	Chrysler New York Fifth Avenue
Cadillac Allante	Lincoln Continental
Cadillac Brougham	Lincoln Mark VII LSC
Cadillac DeVille	Lincoln Town Car
Cadillac Fleetwood	Oldsmobile Toronado
Cadillac Eldorado	Nissan Maxima GXE
Cadillac Seville	Toyota Cressida

Sports/Specialty

Buick Regal	Ford Thunderbird
Chevrolet Beretta	Mercury Capri
Chevrolet Camaro RS	Mercury Cougar LS
Chrysler LeBaron Coupe	Mercury Scorpio
Chrysler LeBaron Convertible	Oldsmobile Cutlass Supreme
Chrysler TC	Plymouth Laser
Dodge Daytona UL	Pontiac Firebird Trans Am
Ford Mustang LX	Pontiac Grand Prix
Ford Probe LX	

Compact Vans

Chevrolet Astro	Ford Aerostar
Chevrolet Lumina APV	Plymouth Voyager
Chrysler Town & Country	Grand Caravan/Voyager
Dodge Caravan	

LEND LEASE CARS

This lessor, fully aware of the difficulties associated with developing a selector list, established The Pricer system to help fleet managers in ordering company vehicles. Packaging and the limited ability to change vehicle orders once placed with the factory have made the need for accuracy much greater. The prices listed below are Pricer-generated from the most current 1989 prices available, and do not reflect incentive program adjustments or any 1990 price increases.

Full-Size

Make/Model	Cost
Buick LeSabre	\$14,383
Chevrolet Caprice	\$13,991
Chrysler New Yorker Salon	\$15,418
Eagle Premier LX	\$13,700
Ford LTD Crown Victoria	\$15,303
Mercury Grand Marquis	\$15,458
Oldsmobile 88 Royale	\$14,443
Pontiac Bonneville	\$14,141

Recommended Equipment: Six or Eight-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass, Power Door Locks, Power Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front and Rear Mats, White Sidewall Tires, and Body Side Moldings.

Mid-Size

Make/Model	Cost
Buick Century	\$12,045
Buick Regal Sedan	\$13,403
Chevrolet Lumina	\$11,197
Dodge Dynasty	\$12,083
Dodge Spirit	\$10,135
Ford Taurus	\$11,677
Mercury Sable	\$12,298
Oldsmobile Cutlass Ciera	\$12,096
Oldsmobile Cutlass Supreme	
Sedan	\$13,509
Plymouth Acclaim	\$10,069
Pontiac Grand Prix Sedan	\$12,885
Pontiac 6000 LE	\$11,789

Recommended Equipment: Six-cylinder engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front and Rear Mats, Body Side Moldings, and White Wall Tires.

Compact

Make/Model	Cost
Buick Skylark	\$10,872
Chevrolet Cavalier	\$ 9,106
Chevrolet Corsica	\$10,168
Dodge Shadow	\$ 9,046
Ford Tempo GL	\$ 9,287
Mercury Topaz	\$ 9,772
Oldsmobile Cutlass Calais	\$10,561
Plymouth Sundance	\$ 8,590
Pontiac Sunbird	\$ 9,192
Pontiac Grand Am	\$10,702
Toyota Camry	\$11,798

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass, Electric Rear Window Defroster, Front and Rear Mats, and Body Side Moldings.

Subcompact

Make/Model	Cost
Dodge Omni	\$ 8,280
Ford Escort	\$ 8,430
Geo Prizm	\$10,305
Plymouth Horizon	\$ 8,280
Toyota Corolla DLX	\$ 9,283

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, AM/FM Stereo Radio, Dual Mirrors, Power Brakes, Air Conditioning, Tinted Glass, Electric Rear Window Defroster, Front and Rear Mats, and Body Side Moldings.

LMV

More than 150 models are included in LMV Leasing's 1990 fleet recommendations, which cover six different categories. This lessor's recommended options have been included in acquisition cost calculations and should be ordered, if available. They include air conditioning, power steering and brakes, AM/FM stereo,

RECOMMENDATIONS

dual outside mirrors, automatic transmission, rear defroster, and tinted glass. For mid-size and larger vehicles, V-6 engine, power locks and windows, speed control, and tilt steering wheel also are figured into calculations for acquisition cost. In addition, LMV recommends two replacement cycles—40,000 miles at 24 months and 55,000 miles at 36 months.

Utility

(Service vehicles intended primarily for one or two passengers and minimal cargo.)

Buick Skylark	Nissan Sentra
Chevrolet Corsica	Plymouth Acclaim
Dodge Shadow	Plymouth Sundance
Dodge Spirit	Pontiac Grand Am
Ford Escort	Toyota Corolla
Ford Tempo	Toyota Tercel
Mercury Topaz	

Sales Type

(Mid-size cars with suitable comfort, styling and cargo capacity for high mileage use by sales personnel.)

Buick Century	Mercury Sable
Chevrolet Lumina	Oldsmobile Cutlass Ciera
Dodge Dynasty	Pontiac 6000
Ford Taurus	Toyota Camry

Station Wagon/Mini-Van

(Vehicles with large cargo capacity and adequate driver comfort. Six-cylinder engines are recommended.)

Station Wagon	Mini-Van
Buick Century	Chevrolet Astro Van
Chevrolet Celebrity	Dodge Caravan
Ford Taurus	Ford Aerostar
Oldsmobile Cutlass Ciera	Plymouth Voyager
Pontiac 6000	

Image

(Suitable for managers, supervisors, and other middle to high-ranking officials.)

Buick LeSabre	Nissan Maxima
Chrysler New Yorker	Oldsmobile 88 Royale
Eagle Premier	Pontiac Bonneville

Specialty

(Sporty vehicles for image-conscious personnel.)

Buick Regal	Mercury Cougar
Chevrolet Beretta	Oldsmobile Cutlass Supreme
Ford Mustang	Pontiac Grand Prix
Ford Probe	Toyota Supra

MCCULLAGH

Fleet management continues to demand a multitude of awareness of issues ranging from traditional product knowledge to government regulations, energy situations, and tax law impact. The fleet market for the 1990s will be every bit the challenge it was during the 1980s. A number of questions will need to be answered as vehicle exhaust emissions requirements become more and

more stringent. Fuel prices may also rise dramatically. McCullagh recommends that more fuel-efficient four- and six-cylinder engines continue to be ordered on a variety of models within each classification as they meet individual business needs.

Standard Vehicles

These vehicles typically serve a sales or service function. Recommended Replacement: 50,000 miles/36 months. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Power Brakes, Power Steering, AM/FM Stereo, Rear Defogger, Speed Control, Steel Belted Radial Tires, Tinted Glass, and Wheel Covers.

Class I - Full-Size Four-Door Sedan (Highway Service)

Chevrolet Caprice	Ford LTD Crown Victoria S
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Class II - Mid-Size Four-Door Sedan (Sales/Service)

Buick Century	Mercury Sable
Buick Regal Custom (mid-year)	Oldsmobile Cutlass Ciera
Chevrolet Lumina	Oldsmobile Cutlass Supreme Sedan
Dodge Dynasty	Pontiac 6000 LE
Eagle Premier LX	Pontiac Grand Prix LE Sedan
Ford Taurus	

Class III - Two-Door Specialty Models (Image)

Buick Regal	Mercury Cougar
Chrysler LeBaron Coupe	Oldsmobile Cutlass Supreme
Ford Thunderbird	Pontiac Grand Prix LE

Class IV - Compact Four-Door Sedan (Regular Service)

Buick Skyhawk	Mercury Topaz
Buick Skylark	Oldsmobile Cutlass Calais
Chevrolet Cavalier	Plymouth Acclaim
Chevrolet Corsica	Plymouth Sundance
Dodge Spirit	Pontiac Grand Am LE
Ford Tempo	Pontiac Sunbird LE

Class V - Subcompact Four-Door Sedan (Courier Service)

Dodge Omni	Plymouth Horizon
Ford Escort	

Class VI - Mini Vans (Passenger/Cargo Service)

Chevrolet Lumina APV	Oldsmobile Silhouette
Chevrolet Astro	Plymouth Voyager
Dodge Caravan	Pontiac Trans Sport
Ford Aerostar	

Management/Executive Vehicles

The vehicles in this class are recommended for functions where operating costs are balanced by other, less tangible requirements. Recommended Replacement: 45,000 miles/24 months. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Power Brakes, Power Door Locks, Power Steering, Power Windows, Rear Defroster, AM/FM Stereo Cassette, Speed Con-

RECOMMENDATIONS

trol, Steel Belted Radial Tires (all weather), Tilt Wheel, Tinted Glass, and Wheel Covers.

Class I - Management Vehicles Four-Door Sedan

Buick LeSabre	Mercury Grand Marquis
Chrysler New Yorker	Oldsmobile 88 Royale
Eagle Premier ES	Pontiac Bonneville LE

Class II - Executive Vehicles Four-Door Sedan

Buick Electra	Chrysler New Yorker Fifth-Avenue
Cadillac Fleetwood	Lincoln Continental
Cadillac Sedan DeVille	Lincoln Town Car
Cadillac Seville	Oldsmobile 98 Regency
Chrysler Imperial	

Class III - Executive Vehicles Two-Door

Buick Riviera	Lincoln Continental Mark VII
Cadillac Coupe DeVille	Oldsmobile Toronado
Cadillac Eldorado	

Station Wagons

Most fleet applications of station wagons fall into the Standard Fleets Category (working vehicle emphasizing sales and service). Below is a listing of popular wagons, with cargo area in cubic feet.

Compact

Buick Skyhawk	Ford Escort
Chevrolet Cavalier	

Intermediate

Buick Century	Mercury Sable
Chevrolet Celebrity	Oldsmobile Cutlass Cruiser
Ford Taurus	Pontiac 6000

Full-Size

Buick Estate	Mercury Colony Park
Chevrolet Caprice Classic	Oldsmobile Custom Cruiser
Ford Crown Victoria	

PHH Fleet America

PHH recognizes that there are perfect fleet cars for more than one category of driver and business use, therefore its 1990-model year recommendations offer a variety of categories of vehicles based on EPA ratings, size, style, configuration, and price. Also, hands-on knowledge is required for proper fleet vehicle selection. The fleet manager's analysis is the key factor in creating the perfect fleet car by matching that particular vehicle with a driver to accomplish a specific purpose.

Recommended Equipment: AM/FM Stereo with Cassette, Automatic Transmission, Air Conditioning, Body Side Moldings, Cargo Cover (where applicable), Cloth Interior, Cruise Control, Dual Remote Mirrors, Front and Rear Floor Mats, Power Brakes and Steering, Tilt Wheel, Tinted Glass, Wheel Covers, and White Side Wall Radial Tires.

Compact

Buick Skylark Custom	Mercury Topaz GS
Chevrolet Cavalier	Oldsmobile Cutlass Calais
Chevrolet Corsica LT	Plymouth Sundance Highline
Geo Prizm	Pontiac Grand Am LE
Dodge Shadow Highline	Pontiac Sunbird LE
Ford Tempo	Toyota Corolla Deluxe

"Acquisition Cost" Intermediates

Make/Model

Buick Century Custom	Ford Taurus L
Chevrolet Lumina CL	Oldsmobile Cutlass Ciera
Dodge Dynasty Highline	Plymouth Acclaim Premium
Dodge Spirit Premium	Pontiac 6000 LE

"Best Value" Intermediates

Make/Model

Buick Century Custom	Ford Taurus GL
Buick Regal Custom	Mercury Sable GS
Chevrolet Lumina Euro	Oldsmobile Cutlass Supreme
Dodge Dynasty Highline	Pontiac Grand Prix LE
Eagle Premier LX	Toyota Camry

Sport/Specialty

Make/Model

Buick Regal Custom	Ford Thunderbird
Chevrolet Beretta	Mercury Cougar LS
Chevrolet Lumina Euro	Oldsmobile Cutlass Supreme
Chrysler LeBaron Highline	Pontiac Grand Prix LE

Full-Size

Make/Model

Buick LeSabre Custom	Ford LTD Crown Victoria S
Chevrolet Caprice Classic	Oldsmobile 88 Royale
Chrysler New Yorker Salon	Pontiac Bonneville LE

Luxury

Make/Model

Buick Electra Limited	Mercury Grand Marquis LS
Buick Park Avenue	Oldsmobile 98 Regency
Chevrolet Caprice Classic	Oldsmobile 98 Brougham
Chrysler New Yorker Fifth Avenue	Toyota Cressida
Chrysler New Yorker Landau	

Executive

Make/Model

Buick Park Avenue Ultra	Lincoln Continental
Cadillac DeVille	Lincoln Mark VII
Cadillac Fleetwood	Lincoln Town Car
Cadillac Seville	Oldsmobile 98 Touring
Chrysler Imperial	

Vans and Wagons

Make/Model

Chevrolet Astro CS	Ford Taurus L
Chevrolet Celebrity CL	Plymouth Voyager SE
Chevrolet Lumina APV	Pontiac 6000 LE
Dodge Caravan SE	Pontiac Trans Sport
Ford Aerostar XL	

WHEELS

Creating a vehicle selector has two separate and distinct steps. The first is constructing the selector shell, which contains the distinct use categories, each defined by the nature of the vehicle's application and the minimum requirements for any vehicle to qualify to be included in that category. The second step is the process

RECOMMENDATIONS

of reviewing alternative vehicles and choosing which specific vehicles will be used in each category. Wheels has developed five use categories, each containing a *benchmark* vehicle and listed alternatives for that category. Of course, all vehicles shown in all five categories would not be included in any one fleet selector, but they are included as candidates for selection within a particular use category. Each category includes estimated initial costs and monthly operating costs, which are based on an operating life cycle of 30 months and 55,000 miles.

Category 1

Special fleet for low annual mileage/urban applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Escort LX (\$8,968)	\$316
Dodge Omni (\$8,209)	\$300
Plymouth Horizon (\$8,209)	\$300
Dodge Shadow (\$9,584)	\$327
Plymouth Sundance (\$5,984)	\$327
Geo Prizm (\$10,271)	\$332
Ford Mustang LX* (\$9,973)	\$333
Mercury Tracer (\$9,792)	\$340

Basic Equipment: Four-Cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

*Available as a two-door only.

Note: Benchmark vehicle in italics.

Category 2

Basic fleet for standard applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
<i>Chevrolet Corsica</i> (\$10,980)	\$360
Chevrolet Cavalier (\$10,001)	\$336
Pontiac Sunbird LE (\$10,018)	\$337
Ford Tempo GL (\$10,205)	\$354
Oldsmobile Cutlass Calais (\$11,263)	\$356
Buick Skylark Custom (\$11,311)	\$358
Pontiac Grand Am LE (\$10,753)	\$358
Plymouth Acclaim Highline (\$10,784)	\$365
Dodge Spirit Highline (\$10,852)	\$366
Mercury Topaz GS (\$10,691)	\$366
Ford Tempo LX (\$11,076)	\$375

Basic Equipment: Four-cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body-Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

Category 3

Basic fleet for standard applications. Priority on reasonable cost and driver acceptance.

Model (Initial Cost)	Estimated Monthly Operating Cost
<i>Chevrolet Lumina</i> (\$11,725)	\$373
Ford Taurus L (\$11,808)	\$382
Pontiac 6000 LE* (\$12,115)	\$390
Dodge Dynasty Highline (\$12,237)	\$400

Oldsmobile Cutlass Ciera (\$12,362)	\$396
Buick Century Custom (\$12,595)	\$402
Mercury Sable GS* (\$13,171)	\$411

Basic Equipment: Four-cylinder Engine (or six-cylinder if base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

*Six-cylinder engine is standard equipment.

Category 4

Basic fleet for standard applications. Priority on driver acceptance and image.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Taurus GL (\$13,191)	\$411
Pontiac Grand Prix LE (\$13,422)	\$416
Mercury Sable GS (\$13,588)	\$421
Buick Regal Custom (\$13,486)	\$422
Oldsmobile Cutlass Supreme (\$13,781)	\$432
Dodge Dynasty LE (\$13,670)	\$441
Ford Thunderbird (\$14,052)	\$443
Chevrolet Caprice Classic (\$14,382)	\$446
Eagle Premier LX (\$13,988)	\$449
Mercury Sable LS (\$14,474)	\$441
Ford Taurus LX (\$14,636)	\$445
Pontiac Bonneville LE (\$14,578)	\$455
Mercury Cougar LS (\$14,793)	\$461
Ford LTD Crown Victoria (\$15,153)	\$464
Buick LeSabre Custom (\$15,089)	\$467
Oldsmobile 88 Royale (\$15,113)	\$468
Chrysler New Yorker Salon (\$15,068)	\$480

Basic Equipment: Six-cylinder Engine (or eight-cylinder if base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Cruise Control, Full Wheel Covers, Left-Hand Remote Mirror, Light Group, Power Brakes, Power Steering, Rear Defroster, Tinted Glass, and Whitewall Tires.

Category 5

Special fleet for executive applications. Priority on driver image and prestige.

Model (Initial Cost)	Estimated Monthly Operating Cost
<i>Buick Electra Park Avenue</i> (\$19,573)	\$565
Mercury Grand Marquis LS (\$17,393)	\$516
Oldsmobile 88 Royale Brougham (\$17,242)	\$520
Buick LeSabre Limited (\$17,567)	\$528
Oldsmobile 98 Regency Brougham (\$19,889)	\$572
Chrysler New Yorker Fifth Avenue (\$19,635)	\$581
Chrysler New Yorker Landau (\$19,492)	\$582
Oldsmobile Toronado* (\$20,934)	\$606
Buick Riviera* (\$21,391)	\$617
Chrysler Imperial (\$22,100)	\$640
Lincoln Town Car (\$23,989)	\$666
Oldsmobile Touring Sedan (\$24,133)	\$672
Buick Park Avenue Ultra (\$24,555)	\$681
Cadillac DeVille (\$24,099)	\$683
Cadillac Brougham (\$24,357)	\$689
Lincoln Mark VII* (\$25,178)	\$693
Cadillac Eldorado* (\$25,997)	\$696
Lincoln Continental (\$26,329)	\$720
Cadillac Seville (\$27,642)	\$758
Cadillac Fleetwood (\$27,866)	\$772
Chrysler Imperial (\$22,100)	\$840

*Available as a two-door only.

MARKETING

Midyear Fleet Registrations

'88 vs. '89 Model Year:
The First Six Months

MODEL	1988 Model Year Total	1988 1st 6 Mos MYTD	1989 1st 6 Mos MYTD
SUBCOMPACT			
323	—	477	2,330
Cavalier	72,095	42,139	41,238
Colt	1,218	752	469
Escort/Festiva	45,688	29,366	36,094
Fiero	982	509	150
Firenza	3,548	2,632	67
I-Mark	—	643	832
LeMans	5,804	3,316	1,628
Mirage	1,122	736	4,580
MR2	1,463	838	360
Mustang	20,907	11,813	21,276
Nova/Geo Prizm	5,870	3,493	3,201
Omni	5,000	2,692	2,033
Probe	8,896	—	10,038
Pulsar NX	3,087	1,546	1,086
Sentra	41,135	13,862	18,034
Skyhawk	3,154	2,028	1,642
Spectrum	5,058	3,323	3,171
Sprint/Geo Metro	10,798	8,157	3,367
Sunbird	12,458	7,747	12,670
Tercel	10,333	6,219	6,992
Tracer	8,661	6,599	3,408
Total Subcompact	267,277	148,887	174,666
COMPACT			
200 SX	3,140	704	5,138
626	—	3,385	2,400
Aries	35,242	23,051	21,232
Beretta	55,451	12,313	12,600
Cutlass Calais	11,488	6,741	7,703
Camaro	5,229	2,770	2,525
Celica	9,950	5,655	3,558
Conquest	70	147	8
Cordia/Eclipse	214	148	295
Corolla	3,446	1,648	1,506
Corsica	55,451	20,197	30,959
Daytona	2,357	1,524	1,384
Firebird	3,488	2,025	1,291
Gaia	808	378	1,501
Grand Am	43,394	29,953	40,010
Lancer	1,158	724	453
LeBaron GTS	2,269	1,509	483
Laser	—	—	23
Medallion	40	20	27
Precis	1,593	226	1,688
Reliant	34,662	24,759	17,002
Sentra Sport Coupe	918	535	224
Shadow	35,176	16,631	14,578
Somerset/Skylark	5,949	3,107	3,457
Stanza	5,468	2,441	1,980
Starion	189	92	51
Sundance	30,348	13,226	14,776
Tempo	87,650	50,374	49,741
Topaz	21,309	12,444	14,967
Vista	183	147	125
Total Compact	456,640	234,082	251,865

MODEL	1988 Model Year Total	1988 1st 6 Mos MYTD	1989 1st 6 Mos MYTD
INTERMEDIATE			
800	170	8,219	55
6000	39,708	20,563	15,396
Camry	32,715	18,813	23,188
Caravelle	9,600	7,540	35
Celebrity	82,926	44,237	39,440
Century	26,814	15,316	21,531
Cougar	17,540	11,000	10,106
Cutlass Ciera	46,593	26,240	30,874
Cutlass Supreme	12,938	4,604	16,592
Dynasty	23,598	9,539	37,838
Grand Prix	14,166	5,102	19,292
LeBaron	6,614	5,709	32
LeBaron Coupe	5,129	4,401	5,542
LeBaron Convertible	6,099	4,402	9,540
Lumina	—	—	1,140
Maxima	11,471	4,933	10,394
Monte Carlo	1,720	1,216	76
MX-6	—	516	672
New Yorker	16,912	1,368	6,480
Premier	801	268	1,226
Regal	18,868	11,218	9,100
Sable	41,253	18,530	16,571
Sigma	145	65	132
Taurus	158,200	75,682	73,139
Thunderbird	29,617	19,482	13,147
Total Intermediate	603,397	318,963	361,541
STANDARD			
Bonneville	35,528	16,969	10,810
Caprice	58,637	26,365	20,441
Crown Victoria	38,636	18,104	15,158
Delta 88	39,787	16,336	11,164
Diplomat	11,809	3,816	3,870
Fifth Avenue	16,180	14,385	291
Gran Fury	8,370	2,543	3,221
Grand Marquis	12,964	7,056	6,275
LaSabra	29,638	16,457	13,109
Total Standard	251,549	122,031	84,339
LUXURY			
300 ZX	4,060	1,766	1,046
929	—	558	426
98 Regency	12,244	6,494	4,785
Allante	1,179	544	329
Cimarron	336	191	48
Cressida	2,038	1,294	2,612
Continental	8,084	3,481	8,736
Corvette	3,767	1,628	1,344
DeVille/	—	—	—
Fleetwood	33,090	19,497	19,556
Eldorado	2,702	1,222	2,115
Electra	16,328	11,078	5,293
Fleetwood	—	—	—
Brougham	9,565	7,195	5,101
Mark VII	4,127	2,060	2,093
New Yorker Landau	4,575	1,410	12,298
Reatta	323	—	546
Riviera	2,315	1,552	964
Scorpio	1,436	482	426
Seville	8,956	5,053	5,035
Town Car	48,436	28,236	23,519
XR4Ti	717	80	255
Toronado	2,883	1,116	536
Total Luxury	167,161	94,937	97,063
Total Fleet	1,746,024	918,900	969,474

PRESS-TIME NOTE: Mazda 626 is intermediate.

STUDY

Fleet managers are less likely to allow drivers' family members to drive a company-provided vehicle than in previous years. Accordingly, the monthly fleet mileage considered to be personal use has dropped by almost one-third since 1987.

NAFA's 1989 Personal Use Survey

The National Association of Fleet Administrator's 1989 Personal Use Survey shows that nearly 90 percent of the surveyed U.S. fleet managers allow drivers to use company-provided cars, an increase of almost three percent from 1988.

Altogether, 527 fleet managers in the U.S. responded to this year's survey, representing a total return of 29 percent.

Once again, the "Government" industry classification had the most responses, followed by the "Industrial Manufacturing" industry. The "Drugs and Cosmetics" and "Insurance" categories were third and fourth, respectively, switching

places from last year.

United States fleet managers in this survey control 261,734 leased vehicles and 225,065 company-owned vehicles, for a total of 486,799. The average vehicle is driven 2,826 miles every month, and 399 miles (14.1 percent) are considered personal use.

Almost half of the respondents state a company-provided vehicle is assigned to an employee based upon title. Another 25 percent say employees are assigned a company vehicle based on the amount of business mileage driven every year. (The average yearly mileage needed to qualify for a company vehicle was 12,411.) The remaining respon-

dents assign vehicles as either a fringe benefit (13.3 percent) or base the decision on some "other" factors (11.9 percent).

Almost 90 percent of fleet managers said their employees can use a company-provided vehicle for personal use, and more than 70 percent said the employee's spouse can use a company vehicle. Also, 30 percent allow the employee's licensed children to use a company vehicle.

Additionally, of the employees allowed to use a company vehicle for personal use, more than 94 percent have free reign to drive the vehicle wherever they want. Just more than one percent can only drive the ve-

What is the total mileage a driver puts on an average company vehicle each month?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. (miles)	2,899	2,220	2,323	1,877	1,998	2,201	4,277	2,050	1,823	2,149	1,719	1,838	1,475	2,826

What is the average personal mileage driven by employees on company vehicles each month?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. (miles)	532	304	528	543	376	359	257	406	391	332	360	799	383	399

Percent of total monthly mileage considered to be used for personal use.

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. (miles)	18.4%	13.7%	22.7%	34.3%	18.9%	16.3%	6.0%	19.8%	21.5%	15.5%	20.9%	43.5%	25.9%	14.1%

STUDY

Who is allowed to use a company vehicle for personal use?														
	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Servs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. Employee	49	36	28	10	45	65	42	33	66	50	16	6	8	456
Employee's Spouse	46	22	6	6	39	59	0	20	64	42	8	6	5	323
Employee's Licensed children	24	12	4	4	20	28	0	6	16	19	3	1	3	140
Others	6	6	6	4	7	3	10	4	4	6	2	1	2	61
No one, personal use not permitted	0	3	10	4	0	1	40	6	0	0	3	3	0	70

Is employee charged for personal use of company vehicle?														
	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Servs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. — Yes	41	28	22	9	36	57	17	23	46	44	15	5	4	358
No	8	10	6	1	9	8	25	10	9	6	1	1	4	98

If drivers are charged for personal use of a fleet vehicle how are the charges collected?														
	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Servs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
U.S. Expense Report	23	11	1	1	17	33	2	9	33	20	5	3	0	158
Salary Deduction	12	10	15	3	18	25	9	10	29	18	5	2	3	157
Others	8	6	7	5	4	5	7	6	4	13	7	0	1	73

How are employees charged for personal use of a company vehicle? What amount?														
United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Servs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
Per Mile (Yes)	16	11	7	1	12	21	3	9	22	13	6	2	1	124
Avg. Amount (cents)	.181	.185	.206	.060	.124	.160	.217	.159	.186	.135	.178	.165	.190	.168
Weekly Charge (Yes)	2	0	3	1	4	7	3	4	4	3	1	1	0	33
Avg. Amount (dollars)	\$50	0	11	8	13	21	18	16	12	16	3	3	0	\$17
Monthly Charge (Yes)	8	8	1	0	11	9	2	4	17	13	3	2	1	79
Avg. Amount (dollars)	\$49	48	35	0	50	77	20	45	46	67	75	33	40	\$54
Combination of both cents/mile & weekly or monthly charge: (Yes)	8	0	3	0	2	6	0	1	3	5	1	0	0	29
Avg. charged per mile	.075	.000	.127	.000	.130	.038	.000	.060	.077	.072	.240	.000	.000	.091
Avg. Week (dollars)	\$ 7	0	10	0	6	10	0	20	0	12	15	0	0	\$10
Avg. Month (dollars)	\$23	0	80	0	0	67	0	0	36	36	0	0	0	\$45
Graduated scale: (Yes)	0	0	0	0	0	1	1	0	0	0	0	0	0	2
1. Amt. for 1st number of miles	.000	.000	.000	.000	.000	.000	.240	.000	.000	.000	.000	.000	.000	.120
2. Number of miles reimbursed at rate in 1	0	0	0	0	0	600	15,000	0	0	0	0	0	0	7,800
3. Amt. for any mileage over that in 2	.000	.000	.000	.000	.000	.060	.110	.000	.000	.000	.000	.000	.000	.100
Other	14	15	11	8	12	21	10	10	18	18	8	0	1	146

hicle to and from work.

Although personal use of company vehicles is widely allowed by responding fleets, employees must pay for the privilege at more than 78 percent of the companies.

Thirty percent of fleets charging

employees for personal use do so on a "cents per mile" basis with an average charge of 16.8 cents/mile. Nineteen percent charge a flat monthly fee averaging \$54; eight percent charge an average of \$17 per week; seven percent charge nine

cents a mile and either \$10/week or \$45/month.

Fleets are divided though, on collecting charges for personal use of company vehicles. Over 40 percent use an expense report and 40.5 percent use salary deduction.

STUDY

How are employees reimbursed for business use of personally owned vehicles when their assigned fleet vehicle is inoperable?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Sevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
Per Mile (Yes)	41	30	28	12	40	55	47	31	58	42	13	8	7	412
Avg. Amount (cents)	.226	.234	.236	.224	.224	.225	.221	.217	.223	.211	.234	.216	.230	.224
Weekly Payment (Yes)	0	0	0	1	1	0	0	0	0	2	0	0	0	4
Avg. Amount (dollars)	\$ 0	0	0	.75	.55	0	0	0	0	.338	0	0	0	\$201
Monthly Payment (Yes)	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Avg. Amount (dollars)	\$ 0	0	0	0	0	.230	0	0	0	0	0	0	0	\$230
Combination of both cents/mile & weekly or monthly charge: (Yes)	0	0	0	0	0	2	0	0	0	0	0	0	0	2
Avg. charged per mile	.000	.000	.000	.000	.000	.090	.000	.000	.000	.000	.000	.000	.000	.090
Avg. Week (dollars)	\$ 0	0	0	0	0	.55	0	0	0	0	0	0	0	\$55
Avg. Month (dollars)	\$ 0	0	0	0	0	.96	0	0	0	0	0	0	0	\$96
Graduated scale: (Yes)	2	4	4	1	1	5	1	0	1	3	4	0	0	26
1. Amt. for 1st number of miles	.240	.240	.220	.240	.240	.230	.230	.000	.240	.223	.240	.000	.000	.233
2. Number of miles reimbursed at rate in 1	7,600	7,819	8,803	225	15,000	12,060	15,000	0	1,000	5,483	10,417	0	0	8,410
3. Amt. for any mileage over that in-2	.115	.125	.123	.115	.110	.110	.110	.000	.110	.107	.110	.000	.000	.115
Other	4	3	5	0	1	5	10	3	6	4	0	1	0	42

Is any portion of repair costs charged to employee if person other than employee is driving vehicle?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Sevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
Yes	22	17	11	6	26	30	17	20	34	22	9	1	3	218
No	16	14	10	1	15	22	9	7	21	19	7	3	3	149

Is any portion of repair costs resulting from accidents during personal use charged to the employee?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Sevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/Finance	Elect.	Other	Total
Yes	11	7	1	3	16	16	6	16	14	12	3	1	2	108
No	38	31	27	7	29	49	36	17	52	38	13	5	6	348
If "Yes" how much:														
A. Full amount (Yes)	0	2	1	0	1	0	3	1	0	0	2	0	0	10
B. Fixed Share (Avg. %) (positive responses)	50.0%	0	0	0	0	0	0	0	0	0	0	50.0%	0	50.0%
C. Dollar Amount (Avg.) (positive responses)	\$256	280	0	100	136	217	425	200	117	163	500	0	0	\$203
D. Insurance deductible amount (dollars) (positive responses)	\$230	0	0	175	200	236	0	250	175	275	0	0	225	\$224
Other	1	0	0	0	0	1	0	0	0	0	0	0	0	2

Eight out of 10 fleet managers who have employees with no assigned fleet vehicle reimburse those employees for business use of their personal vehicles on a "per mile" basis. The average reimbursement is 22.5 cents per mile. Less than five percent of fleet managers use a graduated scale of reimbursement with average fees at 23.2 cents/mile for the first 10,154 miles and 12 cents/mile thereafter. Four percent

of fleet managers reimbursing drivers use a flat monthly reimbursement of \$264; just over three percent use a combination of both cents/mile and a flat monthly or weekly fee, and less than one percent use a flat weekly payment.

Fleet managers report that when an employee uses his or her personal vehicle for business because his or her assigned fleet vehicle is not in operation, they usually reimburse

the employee on a "cents/mile" basis. Almost 85 percent of these fleet managers said they reimburse drivers an average of 22.4 cents/mile. Just over five percent said they reimburse the driver 23.3 cents/mile for the first 8,410 miles and 11.5 cents/mile thereafter. Less than two percent reported that they use either a flat weekly or monthly payment or a combination of cents/mile and flat payments.

STUDY

When an assigned fleet vehicle is not in operation, several transportation alternatives are available. Nearly one third of fleet managers allow drivers to use their personal vehicle, 32 percent allow them to rent a vehicle, and 28 percent allow them to use a pool vehicle.

Employees allowing spouses or licensed children to drive a company-owned vehicle had better be-

ware: almost 60 percent of responding fleets said employees are charged for a portion of the repair costs sustained in accidents when someone other than the employee is driving the company vehicle.

However, employees seem to get a break if they are the one involved in the accident with the company vehicle. Only 23.7 percent of fleet managers say employees are

charged portions of repair costs resulting from accidents. Those fleets charging the employee for the repair costs are most likely to charge the insurance deductible amount, an average of \$224 per accident.

Only 10 percent of all responding fleet managers reported that the IRS (or equivalent governmental body) had conducted an audit of their personal use records. AF

1987 - 1989 Personal Use Survey Comparison

	1987	1988	1989
Total Fleets Responding	464	463	609
Total Vehicles	394,081	518,401	544,599
Company-owned	221,049	283,517	264,562
Leased	173,042	234,884	279,987
Personal use of company vehicle permitted by:			
Employee	89%	87%	87.7%
Employee's spouse	77%	85%	84.5%
Employee's licensed children	44%	34%	32.4%
Others	13%	5%	11.7%
No one; personal use not permitted	11%	13%	12.3%
Minimum age set for drivers other than employees for use of company vehicle for personal use	38.1%	35.9%	27.7%
Percent of monthly total fleet mileage considered for personal use	20.1%	20.7%	13.2%
Average personal mileage per driver per month (U.S.)	473	408	399
Employee charged for personal use of company vehicle:	80%	81.1%	78.5%
Charging method used for personal use of company vehicle:			
Per mile (kilometer)	45%	32%	28.4%
Weekly/Monthly rate	39%	33.3%	
Weekly rate (1989)			8.2%
Monthly rate (1989)			22.0%
Combination per-mile/weekly/monthly rate	15%	8.1%	6.9%
Graduated scale	NA	1.1%	0.6%
Other	NA	25.5%	17.6%
("Graduated scale" and "Other" option not given in 1987.)			
Personal Use Charges Collected Via:			
Expense report	68%	37.4%	39.0%
Salary deduction	73%	44.0%	43.4%
Other	NA	18.6%	17.6%
("Other" option not given in 1987.)			
Factors governing assignment of company vehicle			
Yearly business mileage	31.2%	24.4%	24.3%
Job title	45.2%	13.1%	48.9%
Fringe benefit	14.7%	53.5%	14.9%
Other	8.9%	9.0%	11.9%
Repair cost paid by driver because of personal use accident			
Full amount	36%	31.8%	26.0%
Fixed share (percentage amount)	5%	10.4%	9.0%
Dollar amount	.7%	2.1%	1.4%
Insurance deductible	35%	45.8%	39.6%
Other	41%	41.7%	45.8%
	18.3%	NA	4.2%
REIMBURSEMENTS			
Employees reimbursed for business use of personal vehicle — assigned fleet vehicle inoperable			
Per mile rate	96.4%	85.1%	83.6%
Weekly/Monthly rate	.8%	1.4%	
Weekly rate (1989)			0.9%
Monthly rate (1989)			0.2%
Combination of per-mile/weekly/monthly rate	.8%	.7%	0.4%
Graduated scale	2.0%	5.2%	5.4%
Other	NA	6.6%	9.5%
Employees reimbursed for business use of personal vehicle — no assigned fleet vehicle			
Per mile rate	90.8%	81.3%	82.6%
Weekly/Monthly rate	2.0%	4.8%	
Weekly rate (1989)			0.5%
Monthly rate (1989)			3.9%
Combination of per-mile/weekly/monthly rate	4.7%	3.1%	3.2%
Graduated scale	2.5%	6.3%	5.4%
Other	NA	4.5%	4.4%
IRS (or similar governmental body) audit in last 2 years	8%	7.3%	10.0%

Note: Some questions were re-phrased, making some comparisons unrealistic

USED CARS

The following are average used-car prices for the period ending July 5, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



87 BUICK SKYHAWK Cust Coupe 5178 Cust Sdn 5257	5230 5310	5074 5152	86 DODGE 600 Sdn 4568	4612	4473	87 OLDS CUTLASS SUPREME Coupe 7573 Sedan 7573	7648 7648	7423 7423
87 BUICK CENTURY Cust Sdn 6588	6654	6456	87 FORD ESCORT Htchbk 4 Dr GL Series 4207	4248	4120	86 OLDS CUTLASS SUPREME Coupe 6061 Sedan 5859	6111 6111	5930 5779
86 BUICK CENTURY Cust Sdn 5410	5463	5302	87 FORD ESCORT Htchbk 4 Dr L Series 3072	3102	3007	87 OLDS 88 Regency Sedan 9692	9798	9499
87 BUICK SKYLARK Cust Sdn 6539	6602	6409	87 FORD MUSTANG LX-4 Cpe 5683	5740	5568	85 OLDS 88 Rgcy Sedan 7993	8071	7832
86 BUICK SKYLARK Cust Sdn 5410	5462	5301	86 FORD MUSTANG LX-4 Cpe 4446	4598	4462	87 PLYMOUTH HORIZON Htchbk 5 Dr 3778	3815	3704
87 BUICK SOMERSET REGAL Coupe 6539	6602	6409	87 FORD TAURUS GL Sdn 4 Dr 6899	6969	6760	86 PLYMOUTH HORIZON Htchbk 4 Dr 2906	2934	2847
87 BUICK RIVIERA Coupe 9896	9995	9697	87 FORD TEMPO GL Sdn 4 Dr 4973	5023	4874	87 PLYMOUTH RELIANT Sedan 4716	4764	4621
86 BUICK RIVIERA Coupe 8580	8665	8405	86 FORD TEMPO GL Sdn 4 Dr 3934	3971	3852	86 PLYMOUTH RELIANT Sedan 3655	3690	3580
87 BUICK LE SABRE Cust Sdn 8276	8357	8108	86 FORD LTD Sdn 4098	4143	4019	87 PLYMOUTH CARAVELLE SE Sedan 5402	5455	5292
87 CADILLAC DE VILLE Cpe 12,764 Sdn 12,920	12,891 13,050	12,508 12,663	87 FORD CROWN VIC Sdn 8800	8888	8627	87 PLYMOUTH GRAN FURY Salon Sedan 5304	5357	5199
86 CADILLAC DE VILLE Cpe 10,261 Sdn 10,397	10,367 10,502	10,058 10,190	87 FORD THUNDERBIRD Cpe 7841	7921	7684	86 PLYMOUTH GRAN FURY Salon Sedan 4318	4360	4231
87 CADILLAC SEVILLE Sdn 14,141	14,283	13,858	86 FORD THUNDERBIRD Cpe 6252	6314	6128	87 PONTIAC SUNBIRD SE Coupe 5045 Sedan 4968	5095 5017	4942 4868
86 CADILLAC SEVILLE Sdn 12,755	12,880	12,498	87 LINCOLN CONTINENTAL Sdn 14,429 Town Car Sdn 13,240 Mark VII Cpe 14,182	14,572 13,371 14,325	14,137 12,874 13,899	86 PONTIAC SUNBIRD SE Coupe 4174 Sedan 4141	4215 4182	4090 4058
87 CHEVY CAMARO Cpe 6678	6744	6543	86 LINCOLN CONTINENTAL Sdn 11,701 Town Car Sdn 10,738 Mark VII Cpe 11,475	11,819 10,849 11,590	11,467 10,525 11,246	87 PONTIAC 6000 Coupe 6105 Sedan 6177	6166 6238	5984 6055
86 CHEVY CAMARO Cpe 5679	5736	5566	87 MERCURY COUGAR LS Cpe 8253	8335	8089	86 PONTIAC 6000 Coupe 4888 Sedan 4945	4936 4996	4791 4848
87 CHEVY CAVALIER Sdn 4784	4832	4688	86 MERCURY COUGAR LS Cpe 6934	7003	6795	87 PONTIAC GRAND AM Sedan 6768	6838	6632
86 CHEVY CAVALIER Sdn 3902	3944	3827	87 MERCURY TOPAZ GS Sdn 4 Dr 5008	5056	4904	87 PONTIAC FIREBIRD Coupe 6751	6818	6615
87 CHEVY CELEBRITY Sdn 5915	5975	5797	86 MERCURY TOPAZ GS Sdn 4 Dr 3994	4034	3914	86 PONTIAC FIREBIRD Coupe 5751	5808	5636
86 CHEVY CELEBRITY Sdn 4708	4755	4614	86 MERCURY MARQUIS Sdn 7927	8007	7770	87 PONTIAC BONNEVILLE Sedan 8303	8389	8136
87 CHEVY CAPRICE Sdn 6800	6867	6663	87 MERCURY GRAND MARQUIS Sdn GS 9408	9501	9218	86 PONTIAC BONNEVILLE Sedan 5640	5696	5527
87 CHEVY CORSICA Sdn 5579	5637	5469	86 MERCURY GRAND MARQUIS Sdn 7927	8007	7770	87 PONTIAC GRAND PRIX Coupe 7606	7682	7455
87 CHEVY BERETTA Cpe 6025	6086	5903	87 NISSAN SENTRA Sedan 2 Dr 3962	4002	3881	86 PONTIAC GRAND PRIX Coupe 6136	6198	6012
87 CHRYSLER LE BARON Sdn 5822	5880	5705	87 NISSAN STANZA E Ntch 4 Dr 6283	6345	6156	87 TOYOTA COROLLA Sedan 4 Dr Deluxe 5524	5578	5412
86 CHRYSLER LE BARON Cpe 4728 Sdn 4774	4774 4822	4634 4680	87 NISSAN MAXIMA SE Sedan 9709	9602	9318	87 TOYOTA CAMRY Sedan 4 Dr Deluxe 8091	8173	7931
87 CHRYSLER FIFTH AVENUE Sdn 8937	9025	8757	86 NISSAN SENTRA Std Sedan 2 Dr 2931	2960	2873	87 TOYOTA CRESSIDA Lux Sedan 11,640	11,754	11,405
86 CHRYSLER FIFTH AVENUE Sdn 7433	7507	7286	87 NISSAN STANZA GL Ntch 4 Dr 5015	5064	4914	86 TOYOTA COROLLA Sedan 4 Dr Deluxe 4449	4495	4360
87 DODGE OMNI AMERICA Htchbk 5 Dr 3803	3841	3728	86 NISSAN MAXIMA SE Sedan 7764	7841	7608	86 TOYOTA CAMRY Sedan 4 Dr Deluxe 5985	6044	5865
86 DODGE OMNI Htchbk 4 Dr 2912	2938	2852	87 OLDS FIRENZA Sedan 5257	5310	5152	86 TOYOTA CRESSIDA Lux Sedan 9095	9187	8913
87 DODGE ARIES Sdn 4702	4750	4607	86 OLDS FIRENZA Sedan 4255	4296	4169	86 VOLKSWAGEN JETTA Sedan 4 Dr 6279	6342	6153
86 DODGE ARIES Sdn 3670	3706	3596	87 OLDS CIERA S Coupe 6571 Sedan 6647	6637 6713	6440 6513	86 VOLKSWAGEN JETTA Sedan 4 Dr 5260	5313	5156
87 DODGE DIPLOMAT Sln Sdn 5317	5369	5211	86 OLDS CIERA LS Coupe 5282 LS Sedan 5347	5336 5400	5177 5243			
86 DODGE DIPLOMAT Sln Sdn 4299	4343	4211	87 OLDS CALAIS Sedan 6547	6611	6416			

CALENDAR

AUGUST

26-30—International Association of Fire Chiefs, Annual Convention, The Westin Hotel, Indianapolis, IN. Information: (202) 833-3402.

SEPTEMBER

7-9—Eighth Annual Land Mobile Expo East, Orange County Convention Center, Orlando, FL. Information: (303) 220-0600.

10-14—American Association of Motor Vehicle Administrators Annual Conference, Fairmont Hotel, New Orleans, LA. Information: (703) 522-4200.

13-16—National Association of Fleet Resale Dealers Fifth Annual Conference, Las Vegas Tropicana Hotel, Las Vegas, NV. Information: (213) 838-3168.

15-19—1989 International Baking Industry Exposition, Las Vegas Convention Center, Las Vegas, NV. Information: (202) 296-5800.

17-18—American Automotive Leasing Association's Mid-Year Meeting, Four Seasons Hotel, Chicago, IL. Information: (202) 223-2600.

20-22—Natural Gas Vehicles Conference, Hyatt Regency, Capitol Hill, Washington, D.C. Information: (703) 841-8661.

OCTOBER

5-7—Automotive Fleet & Leasing Association Mid-Year Conference, The Ritz-Carlton Buckhead, Atlanta, GA. Information: (213) 376-8788, ext. 77.

11-13—The 6th Annual International Maintenance Conference, The Westin Lenox, Atlanta, GA. Information: (404) 449-0460.

18-22—National Auto Auction Association Annual Convention, Marriott Hotel & Marina, San Diego, CA. Information: (402) 646-2170.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Montgomery, AL	138.9c	114.9c
Little Rock, AR	139.0	102.4
Santa Ana, CA	157.9	111.4
Washington, DC	149.4	112.2
Jacksonville, FL	147.2	109.5
Atlanta, GA	137.5	101.9
Maui, HI	185.6	142.9
Sioux City, IA	133.3	122.9
Indianapolis, IN	138.2	106.9
Duluth, MN	138.4	121.9
Gulfport, MS	133.9	109.2
Santa Fe, NM	138.9	119.4
New York City, NY	126.7	96.9
Portland, OR	124.6	N/A
Corpus Christi, TX	133.9	109.4

Survey conducted during the first five working days of July 1989.
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September 1989

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PULL-OUT
CALENDAR

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Enterprise's Outlook:
Today and the Future

Dow's Lessor Loyalty
Used Car Survey
Class 3 Trucks

1990 Lincoln Town Car



Service Bodies

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



SEPTEMBER 1989
VOL. 28, NO. 11

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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On the cover: Don Langefeld (left), leasing and fleet sales manager and John Treter, major leasing & fleet accounts manager for the Lincoln-Mercury Division, stand behind the newly-restyled 1990 Lincoln Town Car.

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STUDY

In a continuing trend, fleets are putting more mileage on their vehicles in less time. For the second consecutive year that such statistics have been tabulated, auto auctions are the most popular method of selling used fleet vehicles.

NAFA's 1989 Used Vehicle Marketing Survey

Last year, fleets continued keeping their vehicles for shorter periods of time than their written replacement policies stated, but those vehicles had more mileage than in previous years.

For example, from 1986 through 1988, written replacement policies averaged 36 months/60,000 miles, but the actual average service life of fleet vehicles during those years was 32 months/64,540 miles in 1988, 31 months/64,350 miles in 1987, and 30 months/61,000 miles in 1986.

This year, a total of 235 U.S. fleets responded to the National Association of Fleet Administrators' 1989 Used Vehicle Marketing Survey. The results from this year's study are presented below:

U.S. Automobiles

Responding U.S. fleets said they sold 34,800 1986-1988 model year automobiles last year, most of which were 1986 models. These fleets said they recaptured 35 percent to 40 percent of the original cost of the vehicles. The fleets marketed the automobiles through sales to employees, auto auctions, wholesalers, used-car dealers, and other means.

For the second consecutive year that such statistics have been tabulated, auto auctions are the most popular method of selling used fleet

Methods used to determine prices for each type of vehicle sold to employees in 1988.

U.S. Fleets	Cars	Light-Duty Trucks	Minivans	Total
Accounting (Book) Value	26 *	11	7	44
Auction Report	18	10	8	36
Automotive Mkt. Report	83	40	35	158
Black Book's Finance & Lease Guide	4	3	1	8
Black Book Weekly	19	11	6	36
Fleet Mgrs. Est. Mkt. Value	21	13	7	41
Galve's Auto Price List	6	2	3	11
Kelley Blue Book	17	9	4	30
Leasing Co. Est. Mkt. Value	27	16	12	55
NADA Used Car Guide	61	37	24	122
Red Book Used Car Valuation	10	2	3	15
Other	21	16	7	44

* Indicates number of survey respondents.

automobiles. Almost twice as many automobiles were sold through auctions as opposed to selling the vehicles to employees, the second most popular choice.

When these fleets sell automobiles to their employees, one out of four

uses *Automotive Market Report (AMR)* to determine resale prices. One out of five uses the National Automobile Dealers Association's *Used Car Guide* and only one of 10 uses their own accounting (book value) to set prices.

U.S. Light-Duty Trucks

U.S. fleets responding to this year's survey said they marketed 4,647 1986-1988 model year light-duty trucks last year, with nearly 40 percent being 1986 models. The average term in service for these vehicles ranged from 60.2 months/77,124 miles to 36 months/75,000 miles, which is in line with their written replacement cycles which average 60 months and anywhere from 60,000 to 75,370 miles.

Overall, responding U.S. fleets marketed 7,667 light-duty trucks (3,020 pre-1986 model year) through such avenues as employee sales, auto auctions, wholesalers, new-car dealers, and used-car dealers. More than one-third of these

trucks were consigned to auto auctions, while another one-third were sold through wholesalers or brokers.

Employees purchased 10 percent of the light-duty trucks last year. Almost 25 percent of fleets selling these vehicles to employees used *AMR* to establish the selling prices, while one in five used the *NADA Used Car Guide*.

These fleets said they recapture from 20 to 30.5 percent of the original cost of their light-duty trucks when they are marketed.

U.S. Minivans

Responding U.S. fleets said they sold 1,876 minivans last year overall. Of these, 1,401 were 1986-1988 model year minivans, almost 700 being 1986 models. The average

lifecycle for these vehicles ranged from 30 months/60,000 miles to 40.5 months/66,804 miles. These parameters, too, are in line with their written replacement policies, which ranged in average from 36 months/60,000 miles to 49 months/66,992 miles.

More than half of the fleets in this survey reported marketing the minivans through auto auctions, and nearly 15 percent sold to employees. In those cases of employee sales, nearly one-third of the fleets used *AMR* to determine the vehicles sale price. One out of five used the *NADA Used Car Guide*.

These fleets say they recapture anywhere from 33 to 40 percent of the original cost of the minivans when they are marketed.

Indicate how many of each specific type of vehicle for each model year sold in 1988:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Manf.	Banking/Financial	Elect.	Other	Total
Cars:														
Model 1986	2,622	1,344	260	33	1,960	1,577	2,240	268	2,071	1,922	477	No Response	6	14760
Model 1987	1,793	1,154	186	17	1,425	1,465	1,847	224	1,497	2,753	75	3	3	12439
Model 1988	1,129	1,012	139	15	1,267	1,105	1,929	104	249	651	1	0	0	7601
Light-Duty Trucks:														
Model 1986	7	889	230	3	204	24	315	41	15	44	37	No Response	No Response	1809
Model 1987	4	718	167	0	20	250	273	29	13	26	5	0	0	1505
Model 1988	8	533	142	0	15	219	256	15	0	145	0	0	0	1333
Minivans:														
Model 1986	237	9	79	1	13	166	20	60	25	53	15	No Response	No Response	678
Model 1987	91	29	95	0	7	158	24	22	6	72	3	0	0	567
Model 1988	14	27	37	0	15	48	17	0	0	58	0	0	0	216
Total	5,905	5,715	1,335	69	4,944	5,012	6,921	723	3,876	5,724	613	No Response	9	40848

Indicate the number of each type of vehicle in your fleet:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Manf.	Banking/Financial	Elect.	Other	Total
Cars:	14,114 (18)	6,157 (16)	17,780 (23)	808 (7)	9,408 (18)	20,062 (23)	26,115 (51)	3,960 (9)	26,732 (32)	14,435 (19)	2,374 (12)	No Response	523 (5)	142,466 (233)
Light-Duty Trucks	494 (11)	7,436 (14)	41,057 (23)	657 (5)	1,566 (13)	6,027 (18)	8,664 (47)	1,676 (7)	377 (17)	1,249 (8)	212 (11)	No Response	352 (2)	69,767 (176)
Minivans:	1,308 (13)	223 (10)	4,812 (19)	955 (4)	606 (11)	3,090 (19)	771 (37)	650 (6)	289 (16)	1,966 (13)	104 (7)	No Response	7 (3)	14,781 (156)
Total	15,916	13,816	63,649	2,420	11,580	29,179	36,050	6,286	27,398	17,650	2,690	No Response	882	227,516

Of the total vehicles in your fleet, indicate how many are:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Manf.	Banking/Financial	Elect.	Other	Total
Company Owned	1,101	6,555	54,021	1,146	6,262	10,041	35,772	1,122	16,923	4,937	1,817	No Response	98	139,795
Leased	14,850	6,790	9,628	1,274	5,308	10,027	278	5,164	10,249	12,084	873	No Response	784	77,309
Total	15,951	13,345	63,649	2,420	11,570	20,068	36,050	6,286	27,172	17,021	2,690	No Response	882	217,104

STUDY

U.S. Sales Totals

U.S. fleets represented in this survey marketed 40,848 1986-1988 model year vehicles last year: 17,247 were 1986 models, 14,451 were 1987 models, and 9,150 were 1988 models.

In total, these fleets sold 14,706 vehicles to auto auctions; 6,820 to employees; 6,176 to wholesalers/brokers; 1,232 to new-car dealers, and 10,309 via "other" methods. These fleets salvaged 500 vehicles.

AMR is used by 26 percent of respondents selling vehicles to employees to determine the vehicle's value. Another 20 percent use the *NADA Used Car Guide*, and nine percent use their leasing companies' estimated market value. Only seven percent use their own accounting (book value) to determine employee purchase prices. In 80 percent of these cases, it is the fleet managers themselves who determine which of the pricing guidelines will be used; leasing companies decide in four percent of the cases.

AMR sales figures are used by responding fleets 27 percent of the

time to determine the success of their marketing efforts. Another 21 percent compare their sale prices with the going market value of the vehicles, and 20 percent compare figures with previously established internal standards. Only 13 percent of responding fleets do not measure the success of their resale marketing efforts.

Interestingly enough, only 48 percent of fleets marketing vehicles through auctions or wholesalers consign vehicles to a facility where it may obtain maximum resale value. The other 52 percent market their vehicles at a location close to a driver's location rather than one that is more profitable, but further away.

Reconditioning And More

According to the results, only six percent of all U.S. fleets in this survey "always" recondition their vehicles before they are sold. An equally small seven percent do so "often," and 20 percent "sometimes" recondition their vehicles. Another 35 percent recondition their vehicles "rarely," and almost one-third of the respondents said they

never recondition their vehicles before they are sold.

For the almost 68 percent of U.S. fleets that reported reconditioning their vehicles to any degree, 70 percent spend less than an average of \$300 per vehicle on reconditioning. Just more than 22 percent of these fleets have an average per vehicle reconditioning expense between \$301 and \$500; seven percent spend between \$501 and \$700; and only one percent spend more than \$700 reconditioning each vehicle.

If a driver's employment is ended, nine times out of 10 his or her vehicle will be reassigned to another employee, rather than sold.

However, when fleet vehicles are sold, the fleet manager or fleet staff handles the title transfers in 46 percent of the cases represented in this survey. Leasing companies handle title transfers in another 40 percent of the cases, while "others" do so 12 percent of the time. Fleet service vendors only handle two percent of the title transfers.

Fifteen percent of U.S. fleets sell the majority of their vehicles during May, according to survey results.

Indicate the average number of months and miles for each type of vehicle sold in 1988:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Mast.	Banking/Financial	Elect.	Other	Total
Cars:														
Months in Service:														
Mean	26.7	33.6	73.3	36.0	28.4	27.4	51.7	39.8	28.9	25.9	30.4	No Response	37.6	39.2
Median	27.0	29.0	72.5	36.0	30.0	27.0	50.0	28.5	29.0	25.5	28.0		36.0	32.0
Mode	27.0	24.0	48.0	24.0	30.0	24.0	6.0	24.0	24.0	24.0	24.0		36.0	24.0
Miles in Service:														
Mean	53,786	67,195	73,175	73,000	55,775	59,775	75,122	65,857	55,071	58,248	52,080		62,000	63,163
Median	54,250	60,000	75,000	60,000	60,000	50,500	75,000	75,000	54,575	56,000	50,000		62,500	60,000
Mode	55,000	60,000	75,000	59,000	70,000	56,000	55,000	75,000	50,000	48,000	50,000		50,000	60,000
Light-Duty Trucks:														
Months in Service:														
Mean	39.4	42.2	82.1	76.5	38.5	42.2	71.4	70.4	59.2	49.7	35.7	No Response	46.0	60.2
Median	36.0	36.0	84.5	76.5	32.0	36.0	66.0	54.0	50.0	42.0	35.5		46.0	51.5
Mode	30.0	36.0	96.0	60.0	32.0	30.0	48.0	24.0	50.0	27.0	24.0		44.0	36.0
Miles in Service:														
Mean	62,200	84,701	80,170	123,333	70,275	73,945	76,907	82,285	57,750	79,130	65,622		107,500	77,124
Median	62,000	86,000	85,000	150,000	60,000	84,503	80,000	95,000	56,000	79,761	65,000		107,500	75,440
Mode	50,000	59,000	40,000	45,000	60,000	95,000	70,000	50,000	40,000	100,000	75,000		65,000	75,000
Minivans:														
Months in Service:														
Mean	25.8	26.4	58.0	No Response	23.0	23.7	70.7	50.4	33.0	30.8	34.0	No Response	30.0	40.5
Median	28.5	24.0	60.0		26.0	24.0	60.0	30.0	33.0	31.0	36.0		30.0	30.0
Mode	16.0	24.0	27.0		10.0	16.0	48.0	12.0	22.0	33.0	36.0		30.0	30.0
Miles in Service:														
Mean	53,267	80,697	84,568		53,876	59,556	72,679	70,000	49,000	59,080	66,166		66,804	66,804
Median	57,650	62,500	69,000		60,000	58,544	73,000	75,000	49,000	58,261	70,000		62,000	62,000
Mode	48,000	60,000	49,938		22,882	50,000	75,000	75,000	49,000	56,341	70,000		0	60,000

STUDY

October and April followed closely with 14 percent and 13 percent, respectively. The remainder of the calendar in terms of busiest sales months is: November, March, June, February, September, July and December (tied), and January and August (tied).

Nearly half of the responding

fleets said they have no plans to change any facet of their operation in order to positively affect their used vehicle marketing efforts.

For the other half planning a change in their vehicle marketing, 28 percent said they will use another make or model of vehicle in their fleets in order to enhance their re-

sale market. Another 23 percent said they will change their replacement cycles: three in 10 will keep the vehicles in service more months and miles; another 30 percent said they will keep vehicles in service fewer months and miles, four in 10 will do something "other" than those options. [A]

Indicate your actual, written replacement policies for each type of vehicle:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Manf.	Banking/Financial	Elect.	Other	Total
Cars:														
Mean Months	36	35	70	36	34	37	62	41	37	36	32	No Response	37	44
Mean Miles	55,294	73,214	75,357	64,000	61,000	58,283	73,837	72,857	54,897	61,053	53,182		62,000	64,028
Med Months	36	36	72	36	36	36	60	36	36	36	30		36	36
Med Miles	55,000	67,500	77,500	60,000	60,000	50,000	70,000	75,000	50,000	60,000	55,000		60,000	80,000
Mode Months	36	36	72	24	36	36	60	24	36	36	24		36	36
Mode Miles	55,000	60,000	80,000	60,000	60,000	60,000	60,000	75,000	50,000	60,000	50,000		60,000	80,000
Light-Duty:														
Mean Months	43	47	78	40	40	46	77	45	52	47	39	No Response	48	60
Mean Miles	71,250	84,231	73,572	60,000	77,222	80,714	78,146	75,000	60,667	73,125	70,000		60,000	75,370
Med Months	36	42	84	36	36	45	72	42	48	39	36		48	60
Med Miles	65,000	75,000	80,000	60,000	65,000	77,500	75,000	72,500	62,500	68,750	60,000		60,000	75,000
Mode Months	36	36	60	24	36	36	60	24	36	24	36		48	60
Mode Miles	55,000	78,500	80,000	60,000	60,000	100,000	75,000	55,000	70,000	55,000	60,000		60,000	80,000
Minivans:														
Mean Months	37	30	71	30	36	36	70	41	57	36	37	No Response	33	49
Mean Miles	57,083	67,857	78,182	60,000	62,556	61,059	74,833	77,000	56,750	62,273	66,250		65,000	66,992
Med Months	36	30	60	30	36	36	60	36	48	36	37		33	38
Med Miles	55,000	70,000	80,000	60,000	60,000	60,000	73,500	75,000	50,000	60,000	57,500		65,000	65,000
Mode Months	36	24	60	24	36	36	60	12	36	36	36		30	36
Mode Miles	55,000	60,000	80,000	60,000	60,000	60,000	75,000	55,000	50,000	56,000	50,000		60,000	60,000

Indicate how many of each type of vehicle you marketed through each method:

U.S. Fleets	Drugs & Cosmetics	Chem. & Petroleum	Public Utility	Comm.	Food & Beverage	Indus. Manf.	Govt. & Law Enfor.	Service Org.	Insurance	Consum. Manf.	Banking/Financial	Elect.	Other	Total
Cars:														
To employees	898	417	242	35	489	1,127	8	307	761	1,246	324	No Response	10	5,864
Auto Auction	1,812	329	1,272	42	1,208	339	1,094	106	1,039	3,400	96		19	10,756
Wholesalers/Brokers	349	365	340	30	375	610	476	0	202	637	129		2	3,315
Used-Car Dealer	0	0	137	7	20	305	0	0	95	1	67		0	852
Trade-In to														
New-Car Dealers	0	0	12	0	524	63	5	0	559	0	6		2	1,189
Salvaged	103	10	11	0	30	30	11	39	26	84	13		0	367
Other	301	99	227	0	21	1	1,847	114	148	56	0		8	2,920
Light-Duty:														
To employees	4	262	134	0	43	148	0	31	1	11	14	No Response	15	683
Auto Auction	8	138	2,312	9	22	125	18	45	35	21	10		50	2,950
Wholesalers/Brokers	4	95	1,372	6	222	223	386	0	0	94	100		10	2,512
Used-Car Dealer	3	4	333	2	0	0	0	0	0	9	5		0	358
Trade-In to														
New-Car Dealers	0	1	25	0	7	1	1	0	0	0	2		0	37
Salvaged	0	17	21	5	6	7	4	21	0	36	0		0	119
Other	0	263	529	0	0	1	192	24	1	0	0		0	1,010
Minivans:														
To employees	92	13	7	0	8	78	4	25	1	36	0	No Response	No Response	273
Auto Auction	171	17	577	1	3	76	3	39	1	110	3			1,000
Wholesalers/Brokers	23	8	29	0	11	46	6	0	0	25	1			149
Used-Car Dealers	1	0	29	0	0	61	0	0	0	0	6			97
Trade-In to														
New-Car Dealers	0	0	0	0	6	0	0	0	0	0	0			6
Salvaged	3	0	6	0	2	0	9	2	4	2	0			24
Other	4	0	317	0	0	0	0	4	0	2	0			327
Total	3,775	2,058	7,932	137	2,989	3,250	4,055	767	2,868	5,769	776	No Response	114	34,696

RETAIL LEASING

The pride of ownership is being overruled by the public in favor of economic survival. Leasing allows consumers to drive new cars with low monthly payments with the option to buy the vehicle at the end of the lease.

Leasing Popularity Rapidly Grows

When Los Angeles construction worker Tom Alvarez leased his Ford Escort for \$99 a month (excluding taxes or other fees), he joined the ranks of doctors, lawyers, and corporate leaders who have given up owning automobiles.

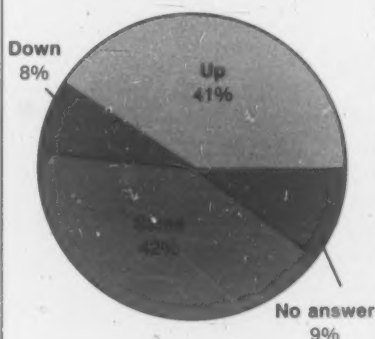
He became part of the platoons of "regular folks" who are swallowing their desire to own an automobile and turning to leasing to keep monthly payments low and a new car in the driveway.

"It's like rent-to-own," Alvarez says. "If I want the car at the end of the lease, I can buy it." The chances he'll purchase the 1989 Ford Escort at the end of his four-year lease are small. The residual value he would have to pay is in excess of \$5,000. But that wasn't a deterrent. It was a way for Alvarez to get into a new car for a small monthly payment and keep the ownership option open.

Leasing is becoming so popular in Middle America that by 1995 one of every two automobiles in the U.S. could be leased rather than sold, according to a *Ward's Auto Dealer* survey of automakers, dealers, and executives in auto-related industries.

Reasons for the growth range from changes in the tax laws that eliminate interest deductions on loans to longer loan agreements.

1988 Leasing Business Dealer Survey



Source: Ward's Auto Dealer Survey

"There will be a time when (retail) leasing grows to three-quarters of the market, and we'll be alive to see that day."

—a GMAC executive
speaking at
NADA's 1989 convention

"Leasing has already made significant inroads into the retail automobile market," says Dennis Thee, vice president of sales and marketing for Anglo American Auto Auctions in Nashville, TN. "It is the force of the '90s."

His company already is seeing an increasing number of off-lease cars in the middle and lower price ranges at auction.

The survey shows leasing now accounts for upwards of 70 percent of automobile deliveries for some dealers. While the nationwide retail lease average (not including fleet or corporate deliveries) is approximately 20 percent, hot markets are in the 40- to 50-percent range.

By 1995, in some markets — such as New York and certain counties in California — more than three of every four cars will be leased, not sold. In a national spot check of leasing penetration, the growth of leasing has taken off.

In Detroit, for example, leasing accounted for less than eight percent of retail deliveries in 1984. Today, however, it has climbed to over 17 percent.

Chicago's lease penetration has risen from 11 percent to 28 percent, while New York and Los Angeles are in the 50-percent range today, compared with 30 percent five years ago.

RETAIL LEASING

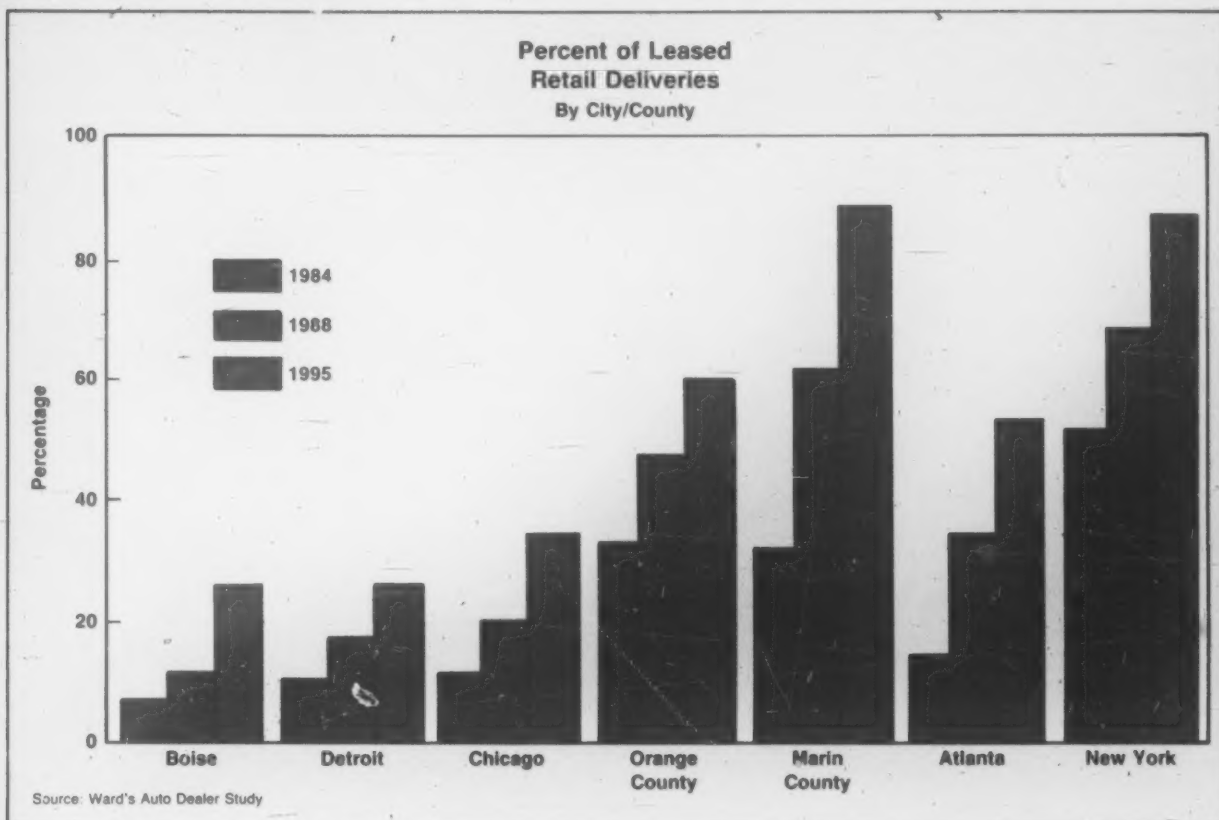


Table 1

"There will be a time when leasing grows to three-quarters of the market, and we'll be alive to see that day," one GMAC executive told dealers at last February's NADA convention.

More important than the growth is the evolution of graded lease paper and new ways of determining residual values.

Richard Watt founded Auto Lender Finance Co. in Laguna Hills, CA barely three years ago. His idea was simple: Provide automobile dealers with a play book that allows them to grade lease paper easily, calculate their income, advances, lease rates, and other factors.

The company simplifies the definitions of "A," "B," and "C" paper, so even a beginner can write a contract, submit the paperwork, and receive a solid chance of approval (see Tables 1 and 2). The

program is working.

The company, which now enjoys sales approaching a half-billion dollars, started in California with five employees in January 1987 and no dealer clients. Today, it has about 230 employees, operates in eight states, and has 2,000 dealer clients.

For lenders, lease contracts are running about 80 percent "A" paper, 16 percent "B" paper, and four percent "C" paper. Watt expects to see a substantial increase in the lower grades over the coming few years.

The potential for leasing to grow into a dominant market force, however, worries some analysts. They are concerned about the volatility of residual values.

Residual values are astonishingly different and competitive. The same vehicle — such as Alvarez's Escort — can have an end-of-lease price differential of \$2,000 and

a monthly payment difference of \$30 to \$50.

On time-proven luxury car leases, those figures are inconsequential, but with the leasing forays into Middle America, the monthly payment and residual value become critical points of discussion between dealer and customer, and crucial in a dealer's profit and loss columns.

"The return on off-lease cars in the Northeast has been lagging," says Thee. "It worsened last year."

Auction companies report the dollar return, on average, is \$300 to \$500 higher in the Midwest than the Northeast. The same Escort could bring \$700 less in the Northeast than in the Midwest.

Such diverse used-car prices have played havoc on lease residuals, sending any number of independent lease companies and some dealers to the financial brink. Some industry people are working on ways to

RETAIL LEASING

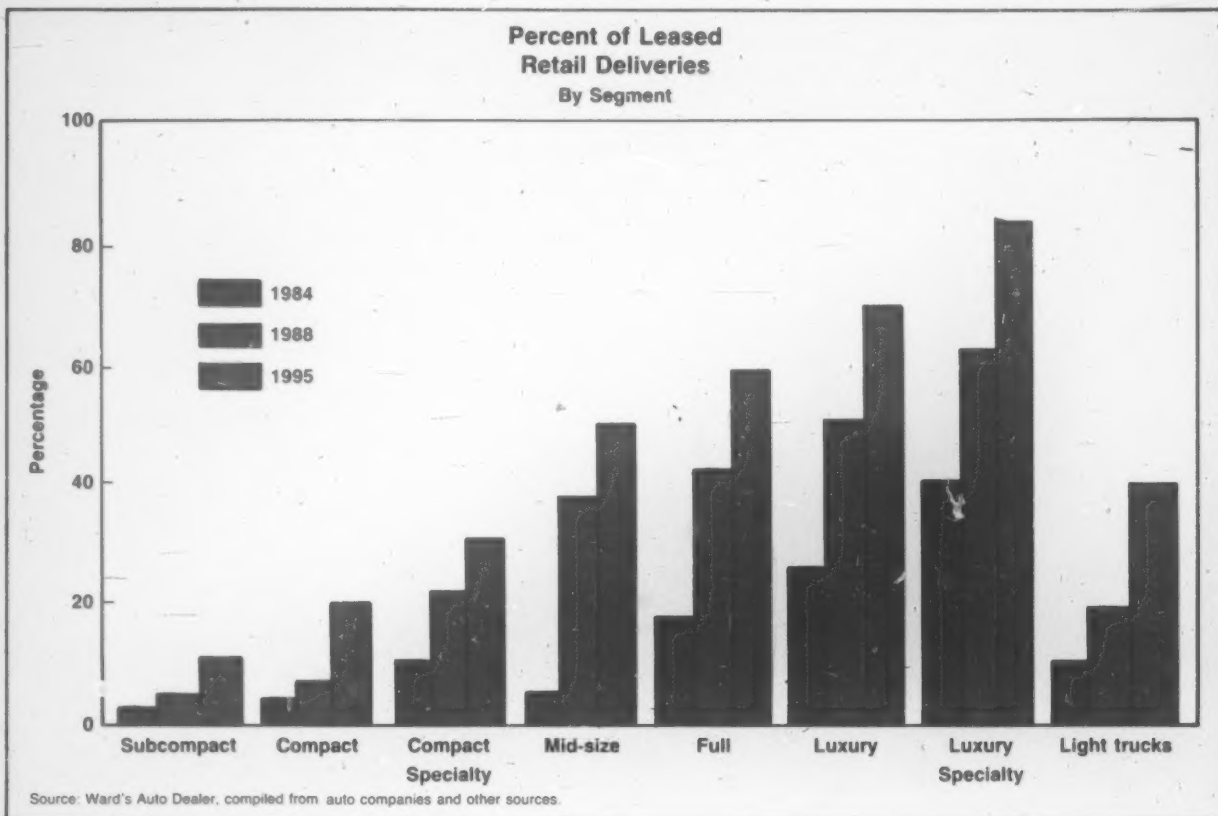


Table 2

counter fluctuating residual-value calculations.

One way, for example, would be to dial in factors other than simple historical data when determining that value.

Instead of just looking at a five-year-old Cadillac to determine what a current model's residual value should be five years from today, such factors as the economic condition of the market, possible or probable model changes, and major national economic issues (such as the prospect of a recession) could be factored into estimates of the final residual value.

But calculating final residual value is difficult at best, say lessors and dealers, who prefer using an average of the three major used-car guide books and/or rates the competitors quote.

Every maker — new and old nameplate alike — wants to get its

share of the up-and-coming leasing business.

"Toyota Motor Credit Corp. will have a lease program for Lexus customers," says Dave Illingworth, vice president and general manager of Toyota's new luxury car division. "Leasing is critical for Lexus to grow."

That's something noted by floundering Audi Division of Volkswagen AG. Audi chief Richard Mugg admits that his company "needs to do a better job of getting our lease share up (from 10 percent to 20 percent of deliveries)."

But for people who pride themselves on ownership, there has to be a way to eventually call the vehicle theirs. That's where the dealers play an important part in the future of leasing.

Master merchandiser Cal Worthington recently launched an advertising campaign in Los Angeles that

never mentions the word lease.

Instead he uses "rental purchase" as the catch phrase. He calms any resistance to leasing by concentrating his pitch on the customer's option to buy the car at the end of the term, with a portion of the monthly payments going toward the purchase price.

Is Middle America really ready for leasing?

"With the average car loan now hitting 57 months, people are beginning to realize that when the contract is paid off, all they have left is a bucket of bolts that needs replacing," argues Thee. "So why not lease the car." AF

This article was written by Art Spinella, West Coast editor of Ward's Auto Dealer, and is reprinted with his permission.

USED CARS

The following are average used-car prices for the period ending August 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



86 BUICK SKYHAWK				86 FORD MUSTANG				87 OLDS CALAIS			
Coupe	6,305	6,367	6,178	LX-4 Coupe	6,899	6,970	6,763	Sedan	6,501	6,565	6,371
Sedan	6,393	6,455	6,262								
87 BUICK SKYHAWK				87 FORD MUSTANG				86 OLDS CUTLASS SUPREME			
Cust Coupe	5,152	5,204	5,049	LX-4 Coupe	5,643	5,700	5,529	Coupe	8,917	9,007	8,739
Cust Sedan	5,231	5,283	5,126								
86 BUICK SKYLARK				86 FORD TEMPO				87 OLDS CUTLASS SUPREME			
Cust Sedan	7,738	7,817	7,586	GL Sedan 4 Dr	6,121	6,184	5,998	Coupe	7,535	7,610	7,386
								Sedan	7,535	7,610	7,386
87 BUICK SKYLARK				87 FORD TEMPO				86 OLDS 98 REGENCY			
Cust Sedan	6,493	6,556	6,364	GL Sedan 4 Dr	5,078	5,127	4,976	Sedan	11,584	11,701	11,352
86 BUICK CENTURY				86 FORD TAURUS				87 OLDS 98 REGENCY			
Cust Sedan	7,801	7,877	7,643	GL Sedan 4 Dr	8,334	8,418	8,169	Sedan	9,644	9,739	9,452
87 BUICK CENTURY				87 FORD TAURUS				86 PLYMOUTH RELIANT			
Cust Sedan	6,542	6,607	6,411	GL Sedan 4 Dr	6,830	6,899	6,692	Sedan	5,715	5,772	5,601
86 BUICK LE SABRE				86 FORD CROWN VICTORIA				87 PLYMOUTH RELIANT			
Cust Sedan	9,860	9,957	9,661	Sedan	10,528	10,635	10,319	Sedan	4,669	4,716	4,575
87 BUICK LE SABRE				87 FORD CROWN VICTORIA				86 PLYMOUTH SUNDANCE			
Cust Sedan	8,235	8,315	8,067	Sedan	8,756	8,844	8,584	Liftbk 4 Dr	6,036	6,095	5,917
86 CADILLAC DE VILLE				86 FORD THUNDERBIRD				87 PLYMOUTH SUNDANCE			
Coupe	15,243	15,395	14,938	Coupe	9,365	9,462	9,180	Liftbk 4 Dr	4,988	5,042	4,891
Sedan	15,423	15,395	14,938								
87 CADILLAC DE VILLE				87 FORD THUNDERBIRD				86 PLYMOUTH GRAN FURY			
Coupe	12,675	12,801	12,420	Coupe	7,802	7,881	7,646	Salon Sedan	6,495	6,559	6,366
Sedan	12,830	12,959	12,574								
86 CADILLAC SEVILLE				86 LINCOLN				87 PLYMOUTH GRAN FURY			
Sedan	16,550	16,717	16,220	Town Car Sedan	15,601	15,755	15,288	Salon Sedan	5,251	5,303	5,147
				Mark VII Coupe	17,364	17,539	17,015				
87 CADILLAC SEVILLE				Continental Sedan	19,283	19,477	18,897				
Sedan	14,042	14,183	13,761								
				87 LINCOLN				86 PONTIAC SUNBIRD			
86 CHEVY BERETTA				Town Car Sedan	13,147	13,277	12,883	SE Coupe	6,349	6,413	6,222
Coupe	7,472	7,544	7,322	Mark VII Coupe	14,083	14,225	13,802	Sedan	6,434	6,497	6,305
				Continental Sedan	14,328	14,470	14,038				
86 CHEVY CORSICA				86 MAZDA 626				87 PONTIAC SUNBIRD			
Sedan	7,017	7,086	6,876	LX Sedan 4 Dr	9,011	9,100	8,830	SE Coupe	5,020	5,070	4,917
								Sedan	5,167	5,221	5,065
87 CHEVY BERETTA				86 MERCURY COUGAR				86 PONTIAC 6000			
Coupe	5,965	6,025	5,844	LS Coupe	9,812	9,910	9,618	Coupe	7,485	7,558	7,334
								Sedan	7,567	7,644	7,415
87 CHEVY CORSICA				87 MERCURY COUGAR				87 PONTIAC 6000			
Sedan	5,512	5,569	5,403	LS Coupe	8,212	8,293	8,049	Coupe	6,044	6,104	5,924
								Sedan	6,115	6,176	5,994
86 CHEVY CAVALIER				86 MERCURY TOPAZ				86 PONTIAC GRAND AM			
Sedan	6,114	6,176	5,995	GS Sedan 4 Dr	6,250	6,311	6,123	Sedan	7,542	7,616	7,392
87 CHEVY CAVALIER				87 MERCURY TOPAZ				87 PONTIAC GRAND AM			
Sedan	4,760	4,808	4,665	GS Sedan 4 Dr	4,973	5,021	4,870	Sedan	6,721	6,790	6,586
86 CHEVY CELEBRITY				86 MERCURY SABLE				86 PONTIAC BONNEVILLE			
Sedan	7,371	7,446	7,225	GS Sedan	8,463	8,547	8,294	Sedan	9,728	9,827	9,533
87 CHEVY CELEBRITY				87 MERCURY SABLE				87 PONTIAC BONNEVILLE			
Sedan	5,874	5,933	5,756	GS Sedan	6,907	6,973	6,769	Sedan	8,261	8,347	8,095
86 CHEVY CAPRICE				86 MERCURY GRAND MARQUIS				86 PONTIAC GRAND PRIX			
Sedan	8,268	8,352	8,101	Sedan	11,092	11,201	10,868	Coupe	9,070	9,160	8,890
87 CHEVY CAPRICE				87 MERCURY GRAND MARQUIS				87 PONTIAC GRAND PRIX			
Sedan	6,766	6,833	6,630	Sedan	9,342	9,434	9,153	Coupe	7,553	7,628	7,403
86 CHRYSLER NEW YORKER				86 NISSAN SENTRA				86 TOYOTA COROLLA			
Sedan	11,587	11,702	11,353	Sedan 2 Dr	4,822	4,871	4,726	Sedan 4 Dr Deluxe	6,780	6,848	6,645
87 CHRYSLER NEW YORKER				86 NISSAN STANZA				86 TOYOTA CAMRY			
Sedan	8,249	8,335	8,087	E Ntch 4 Dr	8,053	8,133	7,891	Sedan 4 Dr Deluxe	9,490	9,565	9,301
86 CHRYSLER FIFTH AVENUE				86 NISSAN MAXIMA				86 TOYOTA CRESSIDA			
Sedan	11,251	11,362	11,023	SE Sedan	12,127	12,249	11,884	Lux Sedan	14,207	14,350	13,923
87 CHRYSLER FIFTH AVENUE				87 NISSAN SENTRA				87 TOYOTA COROLLA			
Sedan	8,874	8,962	8,696	Sedan 2 Dr	3,962	4,001	3,881	Sedan 4 Dr Deluxe	5,524	5,578	5,412
86 DODGE ARIES AMERICA				87 NISSAN STANZA				87 TOYOTA CAMRY			
Sedan	5,715	5,772	5,601	E Ntch 4 Dr	6,282	6,345	6,156	Sedan 4 Dr Deluxe	8,091	8,173	7,931
87 DODGE ARIES				86 OLDS CIERA				87 TOYOTA CRESSIDA			
Sedan	4,655	4,702	4,561	Coupe	7,717	7,793	7,563	Lux Sedan	11,640	11,754	11,405
				Sedan	7,801	7,877	7,643				
86 DODGE SHADOW				87 OLDS CIERA				86 VOLKSWAGEN JETTA			
Liftbk 5 Dr	6,029	6,088	5,909	S Coupe	6,525	6,591	6,395	Sedan 4 Dr	7,510	7,584	7,361
87 DODGE SHADOW				86 OLDS CALAIS				87 VOLKSWAGEN JETTA			
Liftbk 4 Dr	5,032	5,082	4,931	Sedan	7,683	7,761	7,531	Sedan 4 Dr	6,279	6,342	6,153
86 DODGE DYNASTY											
Sedan	9,071	9,161	8,887								
86 FORD ESCORT											
Htchbk 4 Dr GL	5,161	5,214	5,059								
87 FORD ESCORT											
Htchbk 4 Dr GL	4,165	4,206	4,079								

CALENDAR

SEPTEMBER

10-14—American Association of Motor Vehicle Administrators Annual Conference, Fairmont Hotel, New Orleans, LA. Information: (703) 522-4200.

13-16—National Association of Fleet Resale Dealers Fifth Annual Conference, Las Vegas Tropicana Hotel, Las Vegas, NV. Information: (213) 838-3168.

15-19—1989 International Baking Industry Exposition, Las Vegas Convention Center, Las Vegas, NV. Information: (202) 296-5800.

17-18—American Automotive Leasing Association's Mid-Year Meeting, Four Seasons Hotel, Chicago, IL. Information: (202) 223-2600.

20-22—Natural Gas Vehicles Conference, Hyatt Regency, Capitol Hill, Washington, DC. Information: (703) 841-8661.

24-27—Consumer Bankers Association Conference, Hyatt Regency Grand Cypress, Orlando, FL. Information: (703) 276-1750.

24-27—National Conference of State Fleet Administrators Third Annual Meeting, Red Lion Lloyd Center, Portland, OR. Information: (606) 231-1880.

OCTOBER

5-7—Automotive Fleet & Leasing Association Mid-Year Conference, The Ritz-Carlton Buckhead, Atlanta, GA. Information: (213) 376-8788, ext. 77.

18-22—National Auto Auction Association Annual Convention, Marriott Hotel & Marina, San Diego, CA. Information: (402) 646-2170.

NOVEMBER

16-19—CATRALAS' Western Regional Conference, Newporter Hyatt Resort, Newport Beach, CA. Information: (202) 223-2118.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded	
	Full-Serve	Self-Serve
Juneau, AK	167.4c	152.2c
Kingman, AZ	160.6	122.4
Oakland, CA	154.4	119.6
Denver, CO	141.4	116.2
Hartford, CT	137.2	116.2
Chicago, IL	156.2	114.6
Kansas City, KS	126.2	107.2
Paducah, KY	129.9	98.9
Worcester, MA	117.9	97.9
Iron Mountain, MI	109.9	104.9
St. Charles, MO	114.4	89.9
Wilmington, NC	134.9	103.6
Reno, NV	148.4	110.4
Uniontown, PA	116.0	98.9
Everett, WA	138.9	98.9

Survey conducted during the first five working days of August 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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automotive **FLEET**

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

New Model Issue

'90 Car/Truck
Analysis By Class



Is Leasing Better?
Surge In U.C. Buybacks
How Firms Value Safety
Weighing Van Specs

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



OCTOBER 1989
VOL. 28, NO. 12

Influencing the management of
4,952,000 cars and 2,070,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

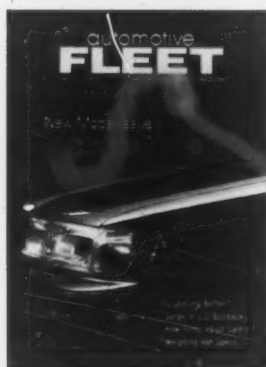
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REMARKETING

The main thrust behind the steady growth of auto auctions has been the vast number of daily rental program vehicles being remarketed by the manufacturers, but fleets are relying more on auctions for their resale needs, too.

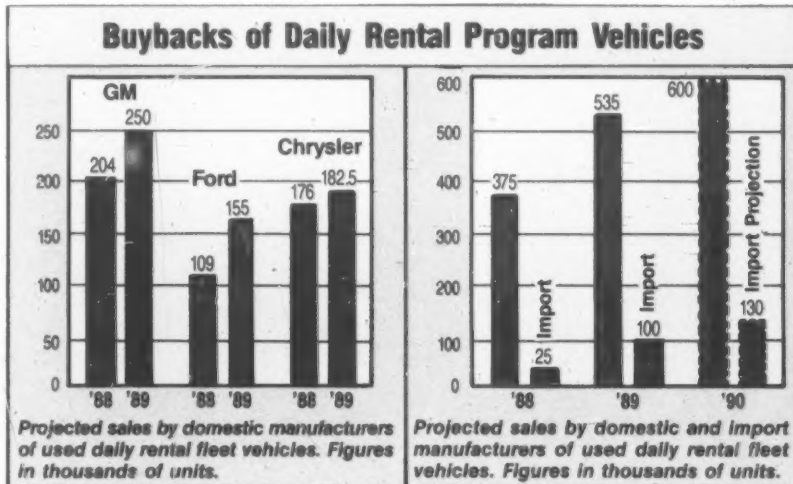
Buybacks, Fleets Help Auctions Surge

In 1988, the National Association of Fleet Administrators' annual survey on used vehicle remarketing asked a sampling of members, among other questions, which methods they employed most often to sell used fleet vehicles. Since the overwhelming majority utilized auto auctions most often, the survey's structure was changed, compared to the year before.

For instance, in 1987, auctions and wholesalers had been combined as one category. In 1988, auctions were a separate category because they were the remarketing tool for 35 percent of U.S. commercial fleet vehicles managed by more than 300 respondents; 49 percent of government fleet vehicles, and 72.5 percent of public utility fleet vehicles.

The results of the 1989 NAFA survey offer further evidence of the growing use of auctions among fleets. Auctions remarketed 41 percent of U.S. commercial fleet vehicles managed by 235 respondents; 27 percent of government fleet vehicles, and 52 percent of public utility fleet vehicles.

Another segment of the automotive fleet market—daily rental cars—is also fueling the growth of auctions. Program cars, as they are called, are sold to car-rental companies by manufacturers with guaranteed depreciation rates or



agreements to repurchase a certain percentage for remarketing at closed auctions. Percentages of vehicles on these plans vary from manufacturer to manufacturer and model to model. The volume going to auctions, though, is significant—between 600,000 and 700,000 domestic and imported vehicles are projected for calendar-year 1989.

The Past

From the time Henry Ford gave the first manufacturer rebate—reportedly \$40 on a Model-T in 1941—factory programs and incentives have been present in the car business. Starting in 1985, though, a flood of late-model, low-mileage rental vehicles inundated auctions.

A host of vehicles also were coming from other sources, including fleets, banks, leasing companies, and captive financiers.

“What’s important to understand about factory programs with rental cars is they are yet another avenue by which manufacturers expose the products to retail customers who otherwise may never have a chance to see or drive a certain vehicle,” says Michael Moumousis, vice president of marketing for Atlanta-headquartered Manheim Auctions, owners and operators of 24 auction facilities throughout the United States and Canada. “A person can be on the road for business and rent a Ford Probe or a Lumina or a New Yorker and think, ‘I wonder how

REMARKETING

1989 Auto Auction Total Sales

Industry officials estimate as many as six million vehicles, on consignments of approximately eight million cars and trucks, will be sold through U.S. auto auctions in calendar year 1989.



GE Capital AA
(18 locations)
13%

Manheim Auctions
(24 locations)
14%

Anglo American AA
(23 locations)
13%

Independents
(Including ServNet)
60%

much it costs?" or "Maybe for my next car..." so the exposure is beneficial."

The Present

During 1989, General Motors is projecting approximately 250,000 program vehicles will be remarketed through auctions, an increase over 1988's figure of 204,000. Ford Motor Co. expects to top its 1988 total of 109,000 program vehicles sold at auction with roughly 155,000 by the end of 1989. Chrysler also projects an increased volume of these vehicles going to auctions in 1989. According to a spokesman for Chrysler, in 1988, 176,000 vehicles with guaranteed depreciation rates were remarketed through auto auctions. The official projects auction sales of as many as 190,000 program vehicles by the end of 1989.

Import companies are getting a piece of the action, too, as most have similar repurchase/guaranteed buy-back programs with daily rental companies, although the volume is obviously smaller compared to the Big Three.

Between 1988 and 1989, the emergence of substantial numbers of import rental cars really became evident. The growth can be attributed, on one hand, to the increased availability of product. On the other hand, a majority of the rental companies (many of which are partially owned by one of the domestic automobile manufacturers) want to offer a mixture of vehicles, both foreign and domestic. Also, the importers have to stay competitive.

The pace at which rental cars are taken out of service and transported to auctions for resale is frequent. The service life of a rental vehicle can be as low as four months and as high as 15 months, and the industry average is about eight or nine months.

The Auctions

How are vehicles, including program cars, being distributed among the many auctions across the country? There are three large auction chains commandeering approximately 40 percent of what is expect-

See the listing below for locations and telephone numbers of our auctions.

Albuquerque Auto Auction Inc.
505/883-7772

Amarillo Auto Auction Inc.
806/358-3663

Aptco Auto Auction Inc. (Detroit)
313/285-7300

Arena Auto Auction Inc. (Chicago)
312/759-3800

Baltimore-Washington Auto Exchange Inc.
301/796-8899

Bayside Auto Auction of Tampa Inc.
813/620-3600

Capital Auto Auction Inc. (Columbia, SC)
803/794-9051

Colorado Springs Auto Auction Inc.
719/392-3406

Dallas Auto Auction Inc.
214/264-2344

Dealers Auto Exchange of Tucson Inc.
602/574-2222

Fort Wayne Vehicle Auction Inc. (Indiana)
800/999-2150
219/422-9577

Golden Gate Auto Auction Inc. (San Francisco)
415/657-5660

Lauderdale—Miami Auto Auction Inc.
305/791-3520

Metro Auto Auction of Kansas City, Inc. (Missouri)
816/525-1100

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Nashville Auto Auction, Inc.
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Omaha Auto Auction Inc.
402/896-8000

Puget Sound Auto Auction, Inc. (Seattle, WA)
206/735-1600

Southern States Vehicle Auction of Atlanta Inc.
800/223-2150
404/681-1618

Tri-City Auto Auction, Inc. (Pasco, WA)
509/547-1701

West Palm Beach Auto Auction, Inc.
407/790-1200

Auction Transport Inc.
800/233-1161

Anglo American Auto Auctions Inc.
435 Metroplex Drive
Nashville, Tennessee 37211
615/333-1400

REMARKETING

ed to be a total market of six million vehicles in 1989.

GE Capital Auto Auctions operates 18 facilities. Liese Spiegelberg, vice president of sales and marketing, indicates that overall sales throughout the chain in 1989 are projected at 760,000 units, a seven percent increase from the previous year.

Walt Bodine, Manheim's vice president of administration, confirms that his chain's 24 facilities will sell approximately 825,000 vehicles in 1989, outdistancing 1988's total by about eight percent.

And at Anglo American Auto Auctions, an estimated 780,000 vehicles—an increase of roughly 12 percent over 1987—will be sold at its 23 locations this year.

Independent auctions handle the remaining 60 percent of the business, or about 3.6 million units overall. Alexis Jacobs, current president of ServNet, a nine-member cooperative

network of independent auctions, says that six of the nine hold closed sales of program cars for dealers of one or more of the domestic factories, and each member tabulates sales of repurchase and guaranteed depreciation vehicles individually. Jacobs' location, Columbus Fair Auto Auction, has had a 20-percent increase in sales of daily rental cars through a guaranteed repurchase plan from Chrysler.

When program vehicles reach an auction, they aren't there long. Displayed for bidding at special sales limited to a manufacturer's dealers, almost 100 percent are sold, a much higher rate than other types of vehicle auctions.

Auction officials claim that sales rates for fleet (non-rental) and lease vehicles are close to 75 percent and vehicles from dealers sell at a 50-percent clip; a virtual switching of positions from 1985, just prior to when auction volume began surging.

The Future

All indications suggest that the booming business at auto auctions will continue. Rental fleets are experiencing growth in size and business, and the auctions certainly are capable of handling the remarketing.

"The success of daily rental programs has created volume business at auctions, and more centers are opening up, offering more cars," says the Chrysler official. "I foresee this continuing, as manufacturers keep offering aggressive programs."

The fleet market and its many facets—rental units, off-lease vehicles, volume from large commercial fleets—undoubtedly have helped auctions grow significantly. "Yes, the fleet market is a significant reason for the growth of auto auctions, but the auto auctions have also had a direct impact on the growth of the fleet market as well," says Moumoussis. "The cliché 'time is money' has never been truer, especially in the



REMARKETING

microwave environment of fleet remarketing. Once a vehicle is taken out of service, the meter counting interest and depreciation is ticking, exposing the fleet accounts to significant losses in earned revenue. Auctions offer the fleet account the fastest method available to change large numbers of vehicles into cash and minimize that exposure. All around, it is a very good marriage."

"Almost every auction, be it in-

dependent or property of one of the big chains, offers factory sales of program vehicles," says Don Fowler, a former GE executive who is now an independent vehicle remarketing specialist and a consultant to ServNet. "They are not judged by anything other than the ability to do the job, plus maybe geographic location. Auctions were around long before factory programs emerged. Many factors have to be considered

to determine if buybacks will continue at the present volumes. Production, marketing, and other aspects all play a part."

Auctions have become the most convenient method to remarket large volumes of used vehicles, especially for fleets. Sales to employees also are high, and are generally a more profitable method, but when the question is speed and service, auctions can provide both. **AE**

Buybacks: Reality vs. Misconception

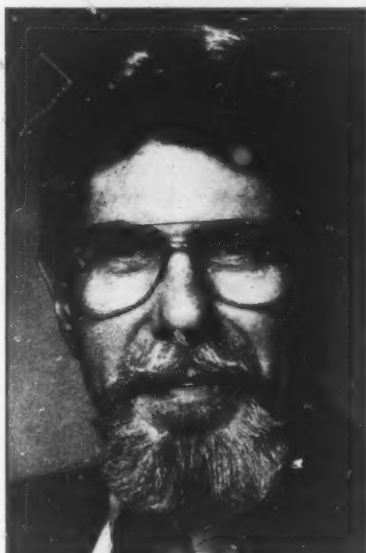
In a research paper titled *Daily Rental Cars and Used Car Values—What's Really Happening and Why?* Joel Pitcoff, research and analysis manager for Ford Motor Co., addresses several analyses that have contended the auto industry confronts a new "crisis," an alleged "glut" of deeply discounted used cars being "dumped" by daily rental companies.

The paper examined 10 popular misconceptions that potentially lead to erroneous or exaggerated judgments about the actual market situation. Pitcoff concluded that:

- The used-car market and its interaction with the new-car market, especially those new cars sold to the daily rental companies, are much more complex than is commonly understood or acknowledged, and
- A closer examination of these relationships dispels the notion that either this year's growth in the size of the daily rental market or its used vehicle disposition practices contains the "seeds of destruction" for the continued robustness of the retail new-car business.

In his paper, Pitcoff said "some of the analyses are flawed because they are based, perhaps innocently, on a number of misconceptions.

The first misconception Pitcoff points out is that daily rental cars are the dominant fleet vehicles, and that there are "millions" coming



Joel Pitcoff, research and analysis manager for Ford Motor Co.

out of service this year. In reality, the total number of cars purchased annually by rental companies is between 750,000 and 800,000 units, a figure representing about 35 percent of all fleet purchases. Usually, these vehicles are replaced anywhere from four to 15 months.

Pitcoff says that Ford's 1989 sales to rental companies will be about 10 percent more than in 1988. Based on that, and anticipating "normal growth" in rental fleet sales for Ford, Pitcoff estimates that total growth for the rental market this year will be 75,000 to 80,000 units.

Pitcoff uses this figure to dispel the second misconception that incremental daily rental units coming out of service this year will have a major impact on the total used-car market. "Not surprisingly, it is difficult to quantify the size of the used vehicle market with precision, since there are so many private transactions," he said.

Pitcoff points out the National Automobile Dealers Association's estimate of slightly more than 10 million retail used vehicles sold by franchised new car dealers in calendar-year 1988. He says the true figure of used vehicles changing hands is double this, according to "rule of thumb" measurement. "Accordingly, the estimated 75,000 to 80,000 incremental daily rental units can be said to cause the supply of used vehicles to rise by a minuscule .35 to .40 percent," he said.

Another misconception is that huge manufacturers' discounts reduce fleet prices below those paid by retail customers, who ultimately subsidize fleet buyers. In reality, Pitcoff claimed, retail customers can get more generous incentives from "the factory" than fleets can. He uses the 1989 Ford Tempo as an example, although not an isolated one. "Ford's fleet customers are eligible for either a \$600 fleet incentive or the \$1,000 preferred equipment package discount offered to retail Tempo customers.

TRENDS

What are the most popular colors for new vehicles? With each new model year, different colors become the object of drivers' desires, and with emerging paint technology, color quality and durability are being enhanced.

Advanced Technology Enhances Paint Colors

The new process of base coat/clearcoat painting dramatically increases the life and range of available vehicle colors. The outer coating provides an extra layer of protection by screening out the sun's ultraviolet rays—the cause of most fading.

"New technology is allowing us to do things we couldn't do just a few years ago," says Robert Daily, color marketing manager at DuPont's Automotive Finishes Division. As a result, brighter—and clearer colors are becoming more readily available every year. In the 1970s, metallic coats lost their popularity because they tended to fade too quickly. Metallics have regained a sizeable share of the market, however, because of the introduction of the base coat/clearcoat process.

Similarly, the long-lasting finishes of pearlescent paints, which use mica flakes (metallics use aluminum flakes) to achieve a greater color depth, would not have been possible without the protection clearcoat offers.

Colors For The 1990s

Given the changes in the painting process, what does the future hold? Daily predicts that cars of the 1990s will be extremely exciting, and colors will be a part of that ex-

citement. For 1991, DuPont predicts the popularity of deep browns, reds, and blues.

Jon Hall, chief designer with BASF Corp.'s Coatings and Inks Division, sees several oncoming trends. "For years, there were only two paint looks available—solid or metallic." Now there's the pearlescent look, with a thicker consistency that creates a "truly iridescent appearance." Like a sparkling gem, pearlescent paints produce many colors on the same surface, depending on the angle of viewing.

Hall says all 1991 cars will have this iridescent look, to some degree. He sees a decline in ordinary colors, such as brown and silver metallic.

Identifying Trends

Predicting the future of consumer color preferences is no simple task, especially since the motor companies must plan their selections at least three years in advance. Currently, DuPont is planning for model year 1992. Daily says they look at the trends in each color category. "For blue, is the trend going to be reddish blue, greenish blue, or silver blue?"

To discover the trends in color, Daily's division follows fashion in clothes and also in contract furnishings for offices and hotels. "Advertising is also important. We look at colors prevalent in video and print media." **AP**

Automotive Color Popularity

Full Size/Intermediates	%	Compacts	%	Trucks	%
White	13.0	Bright Red	14.3	*Med./Dk. Blue	13.1
Medium Red	11.4	*Med./Dk. Red	13.7	White	12.4
*Medium Gray	9.3	White	10.3	Red	12.0
*Silver	9.2	Black	9.8	Black	9.9
*Light Blue	8.6	*Light Blue	8.7	*Medium Red	9.4
*Dark Blue	8.5	*Bright Blue	8.3	*Medium Gray	9.3
*Dark Red	6.9	*Medium Gray	7.8	*Med./Dk. Brown	8.5
*Medium Blue	6.8	*Silver	7.6	*Light Blue	8.0
Black	6.7	*Dark Blue	7.1	*Silver	6.3
*Light Brown	5.2	*Light Brown	5.4	*Light Brown	3.6
*Med. Purple Brown	4.2	*Med./Dk. Brown	2.0	*Green	2.2
Beige	2.3	Beige	2.0	Tan	1.6
*Med./Dk. Brown	2.1	Yellow	0.9	Others	3.7
*Light Green	1.6	Others	2.2		
*Med./Dk. Green	1.0				
Others	3.2				

Source: DuPont Automotive

*Metallic

TIRES

Tire life cycles can be extended through correct selection, driving habits, and regular maintenance. Also, properly maintained tires increase fuel mileage, provide a secure ride, decrease stopping distance, and improve handling.

Extending Tire Life

Tires are a critical component to the well-being of a fleet's vehicles and drivers. Although tires are a visible indicator of a vehicle's condition — as any used-car buyer can attest — they are often neglected by their owners. Such negligence can be dangerous and expensive. A recent survey by Runzheimer International argues that properly maintained tires can help save fuel, provide a secure ride, decrease stopping distance, and improve handling during adverse road conditions.

Runzheimer surveyed 142 fleet operations which averaged 417 vehicles. Of the survey participants, 97 percent indicate having passenger cars in their fleets, 81 percent have full-sized vans, and 76 percent have pickups. The survey results reveal that tire life cycles can be extended through correct selection, proper driving habits, and regular maintenance.

Types of Tires

There are three common designs of tires on the road today:

Bias Tires

These are the oldest design type currently in use. At one time they accounted for the majority of tire sales, but have been supplanted by radials as the most popular tire. Bias

tires have stiff sidewalls as a result of two or more plies crisscrossing each other. The treads of bias ply tires tend to squirm while rolling, generating heat that decreases tire life. In addition, bias ply tires have less contact area than radial tires and are therefore less adept at handling, braking, and holding the road. Bias tires remain an option as low-priced replacements.

Belted Tires

This type of tire is similar in construction to bias ply tires, but have two or more belts running transversely across the plies. Their road manners and longevity fall between bias and radial ply tires. They have

achieved a relatively small niche in the replacement market.

Radial Tires

This tire construction was first designed in the 1940s, but has only recently become popular in the United States. The plies of radial tires run at right angles to the tire's centerline and are wrapped with fabric or steel belts. This construction lends itself to flexible sidewalls and increased road contact area. Most new passenger cars and many light trucks come equipped with radial tires.

Table 1 indicates that the vast majority of fleets, regardless of classification, rely on radial tires for

Table 1
Fleet Tire Selection

Type of Fleet	Radial	Belted	Bias
Utility	90%	8%	4%
Government	87%	8%	5%
Business	82%	13%	5%

Source: Runzheimer

their vehicles. Belted and bias ply tires are far less popular. A maximum of 13 percent of the business fleets have vehicles equipped with belted tires and only five percent of government and business fleets have vehicles that are equipped with bias tires.

Passenger Car Tire Life

Table 2 reveals that all three fleet classifications derive the greatest mileage from radial tires, illustrating another reason for the popularity of this design with fleets. Over one-half of the passenger cars in the survey respondents' fleets run a set of radials for 40,000 miles or more, with an average life cycle of 32,000 to 36,000 miles. The high mileage offered by radials means that some business fleet passenger cars with shorter than average life cycles will not need to replace tires during this period.

Nearly half of the business fleet

Table 2
Life (in Miles) of Tires on Fleet Passenger Cars

	10K	20K	30K	40K	over 40K	Average Tire Life
Business Fleets:						
Radial	0%	6%	47%	33%	14%	36K
Belted	0%	43%	14%	38%	7%	31K
Bias	0%	20%	60%	20%	0%	30K
Utility Fleets:						
Radial	0%	14%	32%	45%	9%	35K
Belted	18%	50%	17%	17%	0%	23K
Bias	20%	80%	0%	0%	0%	18K
Government Fleets:						
Radial	2%	26%	38%	22%	12%	32K
Belted	14%	64%	16%	4%	0%	21K
Bias	16%	63%	16%	5%	0%	21K

Source: Runzheimer

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TIRES

respondents reported keeping belted tires on their vehicles for 40,000 miles or more. However, government and utility fleet respondents record far fewer miles on the tires. Over three-quarters of the government fleets and 66 percent of the utility fleets achieved 20,000 miles or fewer from their belted tires. The average mileage for belted tires ranged from 21,000 for government fleets to 31,000 for business fleets.

Light Truck Tire Life

Table 3 indicates the life in miles of the survey respondents' light truck tires. All three fleet classifications extract the greatest tire life mileage on their light trucks from radials. Almost one-third of the utility fleets get 40,000 miles or more from radials. One-quarter of the business and government fleets also experience 40,000 miles or more using radial tires on their light trucks. Average radial tire mileage ranges

Table 3
Life (in Miles) of Tires on Fleet Light Trucks

	Miles of Life in Tires					Average Tire Life
	10K	20K	30K	40K	over 40K	
<u>Business Fleets:</u>						
Radial	0%	14%	61%	11%	14%	33K
Belted	14%	43%	29%	0%	14%	26K
Bias	20%	20%	20%	20%	20%	30K
<u>Utility Fleets:</u>						
Radial	0%	19%	52%	24%	5%	31K
Belted	14%	43%	43%	0%	0%	23K
Bias	50%	50%	0%	0%	0%	15K
<u>Government Fleets:</u>						
Radial	0%	29%	47%	15%	9%	30K
Belted	15%	56%	23%	4%	0%	22K
Bias	23%	46%	27%	4%	0%	21K

Source: Runzheimer

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from 33,000 miles for business fleets and 30,000 miles for government fleets.

Extending Tire Life

Fleet managers can take several steps to maximize the life of their tires. One of the simplest maintenance procedures is to check tire pressure on a regular basis. As shown in Table 4, 65 percent of the utility fleet respondents require their drivers to check tire pressures. In comparison, only 53 percent of the government and 50 percent of the

Table 4
Responsibility for Checking Tire Pressure

	Business Fleet	Utility Fleet	Gov't Fleet
Driver	50%	65%	53%
Shop Personnel	36%	35%	44%
Other	14%	0%	3%

Source: Runzheimer

business fleets expect this duty to be performed by their drivers. Most of those who don't require the driver to perform this duty rely on shop personnel to check tire pressures during regularly scheduled shop visits.

Checking tire pressures on a weekly basis is a simple, yet essential, maintenance function. Tires can lose from one-half psi to two psi each month through permeation of the tire wall. Additional pressure may be lost through leaking or damaged valves and rims.

Under inflation causes premature tire failure, uneven tread wear (indicated by increased wear at the tires' shoulders), reduces fuel mileage and load capacity, and adversely affects vehicle handling and braking ability. Over inflation also causes early tire failure, uneven tread wear (indicated by increased wear at the tires' centers), and the potential for damage to the suspension components.

An equally important part of this simple maintenance step is to inspect the vehicle's tires, including the spare, while checking the pressures. Examine the tires for tread depth, foreign objects, uneven wear patterns, cut and cracked sidewalls, and damaged stems and valves.

This is also the time to inspect the wheels. Look for loose or missing

lug nuts and bent or heavily rusted rims. Loose lug nuts cause the wheel mounting holes to become oblong, a condition that calls for replacement of the wheel. Missing lug nuts are a dangerous condition, and may lead to loss of the wheel while driving. Bent and rusted rims will prevent the tire from seating properly, resulting in leakage in the bead area. Wheel

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TIRES

covers and trim must allow sufficient clearance for the valve stems; if not, they will eventually cut them. Missing or damaged valve stem extensions and caps should be replaced promptly.

An inexpensive way to encourage drivers to check tire pressures is to issue tire pressure gauges. Table 5 indicates that 30 percent of govern-

**Table 5
Fleets That Provide Drivers
with Tire Pressure Gauges**

	Yes	No
Business Fleets	15%	85%
Utility Fleets	17%	83%
Government Fleets	30%	70%

Source: Runzheimer

ment fleets, 17 percent of utility, and 15 percent of the business fleets provide drivers with tire pressure gauges.

Additional Factors

Other factors that affect tire life include:

- Worn shocks and struts.
- Incorrect wheel alignment.
- Poor wheel balance.
- Excessive and unbalanced loads.
- Neglecting tire rotation.
- Poor driving habits.

Worn shocks and struts cause "cupping" type wear of the tires. Shocks and struts should be replaced when ride quality deteriorates and the vehicle cannot pass the "bounce test." Faulty wheel alignment causes asymmetrical and "feathering" type of wear. Alignment should be performed when the vehicle does not track properly or pulls, and before uneven wear is evident on the tire tread.

Many current vehicle models, especially those with front-wheel drive, have adjustable rear-wheel alignment and should receive four-wheel alignments. In addition, vehicle loads should not exceed the manufacturer's rating and should be balanced as much as possible.

Unbalanced tires also suffer cupping wear of the tread. Both front and rear tires should be balanced when installing replacements and checked whenever the tires are rotated. Dynamic on-the-vehicle balancing is preferred to static or off-the-wheel dynamic balancings. Because the front and rear tires of the vehicle serve different functions, they should be rotated according to the manufacturer's recommendations to balance out wear patterns.

Poor driving habits also can shorten tire life. Jackrabbit starts, late braking, high-speed cornering, excessive spinning of tires on slippery, or loose road surfaces contribute to decreased tire life cycles — as well as consuming excess fuel, increasing brake wear, and causing suspension and powertrain damage. 

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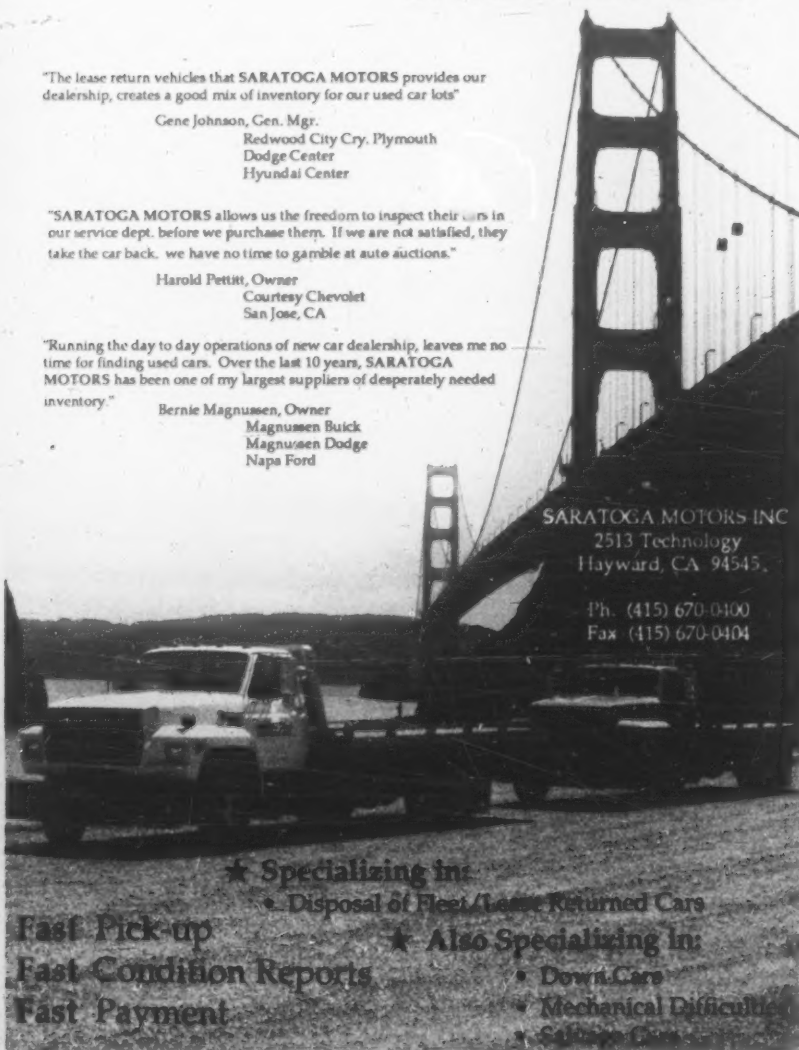
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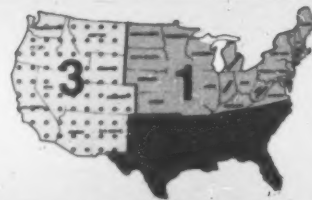
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USED CARS

The following are average used-car prices for the period ending September 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



86 BUICK SKYHAWK Coupe Sedan	6,198 6,284	6,260 6,346	6,073 6,156
87 BUICK SKYHAWK Cust Coupe Cust Sedan	5,064 5,143	5,116 5,194	4,964 5,036
86 BUICK SKYLARK Cust Sedan	7,623	7,700	7,472
87 BUICK SKYLARK Cust Sedan	6,397	6,458	6,268
88 BUICK CENTURY Cust Sedan	7,638	7,713	7,483
87 BUICK CENTURY Cust Sedan	5,419	6,482	6,289
88 BUICK LE SABRE Cust Sedan	9,713	9,806	9,517
87 BUICK LE SABRE Cust Sedan	8,080	8,157	7,915
86 CADILLAC DE VILLE Coupe Sedan	15,076 15,254	15,226 15,409	14,774 14,951
87 CADILLAC DE VILLE Coupe Sedan	12,511 12,664	12,636 12,791	12,259 12,411
88 CADILLAC SEVILLE Sedan	16,369	16,533	16,043
87 CADILLAC SEVILLE Sedan	13,888	14,028	13,610
88 CHEVY BERETTA Coupe	7,286	7,357	7,141
86 CHEVY CORSICA Sedan	7,572	7,648	7,421
87 CHEVY BERETTA Coupe	5,805	5,864	5,688
87 CHEVY CORSICA Sedan	5,364	5,420	5,258
88 CHEVY CAVALIER Sedan	6,010	6,071	5,893
87 CHEVY CAVALIER Sedan	4,679	4,727	4,587
88 CHEVY CELEBRITY Sedan	7,232	7,305	7,088
87 CHEVY CELEBRITY Sedan	5,763	5,821	5,648
88 CHEVY CAPRICE Sedan	8,129	8,210	7,964
87 CHEVY CAPRICE Sedan	6,678	6,745	6,544
88 CHRYSLER NEW YORKER Sedan	11,368	11,481	11,139
87 CHRYSLER NEW YORKER Sedan	8,110	8,194	7,951
88 CHRYSLER FIFTH AVENUE Sedan	11,039	11,147	10,815
87 CHRYSLER FIFTH AVENUE Sedan	8,697	8,784	8,523
88 DODGE ARIES AMERICA Sedan	5,601	5,657	5,489
87 DODGE ARIES Sedan	4,558	4,604	4,466
88 DODGE SHADOW Liftbk 5 Dr	5,951	6,010	5,833
87 DODGE SHADOW Liftbk 4 Dr	4,927	4,976	4,828
88 DODGE DYNASTY Sedan	8,972	9,061	8,790
88 FORD ESCORT Hitchbk 4 Dr GL	5,064	5,116	4,964
87 FORD ESCORT Hitchbk 4 Dr GL	4,073	4,114	3,990
88 FORD MUSTANG LX-4 Coupe	6,810	6,879	6,675
87 FORD MUSTANG LX-4 Coupe	5,559	5,615	5,446
88 FORD TEMPO GL Sedan 4 Dr	6,017	6,079	5,896
87 FORD TEMPO GL Sedan 4 Dr	4,835	4,884	4,739
88 FORD TAURUS GL Sedan 4 Dr	8,117	8,258	8,015
87 FORD TAURUS GL Sedan 4 Dr	6,715	6,782	6,579
88 FORD CROWN VICTORIA Sedan	10,392	10,497	10,185
87 FORD CROWN VICTORIA Sedan	8,625	8,712	8,456
88 FORD THUNDERBIRD Coupe	9,244	9,340	9,061
87 FORD THUNDERBIRD Coupe	7,733	7,810	7,577
88 LINCOLN Town Car Sedan Mark VII Coupe Continental Sedan	15,399 17,139 19,034	15,551 17,312 19,225	15,091 16,794 18,653
87 LINCOLN Town Car Sedan Mark VII Coupe Continental Sedan	12,977 13,901 14,114	13,105 14,041 14,255	12,717 13,624 13,829
88 MAZDA 626 LX Sedan 4 Dr	8,832	8,919	8,655
88 MERCURY COUGAR LS Coupe	9,685	9,781	9,493
87 MERCURY COUGAR LS Coupe	8,138	8,218	7,977
88 MERCURY TOPAZ GS Sedan 4 Dr	6,144	6,204	6,019
87 MERCURY TOPAZ GS Sedan 4 Dr	4,869	4,916	4,768
88 MERCURY SABLE GS Sedan	8,303	8,386	8,137
87 MERCURY SABLE GS Sedan	6,742	6,807	6,607
88 MERCURY GRAND MARQUIS Sedan	11,579	11,693	11,346
87 MERCURY GRAND MARQUIS Sedan	9,810	9,907	9,613
88 NISSAN SENTRA Sedan 2 Dr	4,808	4,856	4,712
88 NISSAN STANZA E Ntch 4 Dr	7,868	7,947	7,710
88 NISSAN MAXIMA SE Sedan	11,970	12,090	11,730
87 NISSAN SENTRA Sedan 2 Dr	3,934	3,973	3,854
87 NISSAN STANZA E Ntch 4 Dr	6,177	6,238	6,052
87 NISSAN MAXIMA SE Sedan	9,300	9,392	9,114
88 OLDS CIERA Coupe Sedan	7,556 7,638	7,630 7,713	7,405 7,483
87 OLDS CIERA S Coupe Sedan	6,402 6,475	6,467 6,540	6,274 6,345
88 OLDS CALAIS Sedan	7,553	7,630	7,404
87 OLDS CALAIS Sedan	6,404	6,467	6,275
88 OLDS CUTLASS SUPREME Coupe	8,784	8,872	8,609
87 OLDS CUTLASS SUPREME Coupe Sedan	7,408 7,408	7,481 7,481	7,262 7,262
88 OLDS 98 REGENCY Sedan	11,411	11,526	11,183
87 OLDS 98 REGENCY Sedan	9,442	9,536	9,255
88 PLYMOUTH RELIANT Sedan	5,601	5,657	5,489
87 PLYMOUTH RELIANT Sedan	4,572	4,617	4,479
88 PLYMOUTH SUNDANCE Liftbk 4 Dr	5,946	6,005	5,829
87 PLYMOUTH SUNDANCE Liftbk 4 Dr	4,894	4,947	4,799
88 PLYMOUTH GRAN FURY Salon Sedan	6,360	6,422	6,233
87 PLYMOUTH GRAN FURY Salon Sedan	5,142	5,192	5,039
88 PONTIAC SUNBIRD SE Coupe Sedan	6,241 6,325	6,305 6,388	6,117 6,196
87 PONTIAC SUNBIRD SE Coupe Sedan	4,925 4,850	4,975 4,897	4,824 4,752
88 PONTIAC 6000 Coupe Sedan	7,329 7,409	7,400 7,484	7,181 7,260
87 PONTIAC 6000 Coupe Sedan	5,918 5,987	5,977 6,047	5,801 5,869
88 PONTIAC GRAND AM Sedan	7,415	7,487	7,267
87 PONTIAC GRAND AM Sedan	6,595	6,661	6,461
88 PONTIAC BONNEVILLE Sedan	9,631	9,729	9,438
87 PONTIAC BONNEVILLE Sedan	8,154	8,239	7,991
88 PONTIAC GRAND PRIX Coupe	9,007	9,097	8,827
87 PONTIAC GRAND PRIX Coupe	7,484	7,559	7,337
88 TOYOTA COROLLA Sedan 4 Dr Deluxe	6,780	6,848	6,645
88 TOYOTA CAMRY Sedan 4 Dr Deluxe	9,395	9,489	9,208
88 TOYOTA CRESSIDA Lux Sedan	14,065	14,206	13,784
87 TOYOTA COROLLA Sedan 4 Dr Deluxe	5,469	5,552	5,356
87 TOYOTA CAMRY Sedan 4 Dr Deluxe	7,970	8,051	7,812
87 TOYOTA CRESSIDA Lux Sedan	11,443	11,555	11,212
88 VOLKSWAGEN JETTA Sedan 4 Dr	7,397	7,471	7,251
87 VOLKSWAGEN JETTA Sedan 4 Dr	6,123	6,184	6,000

CALENDAR

OCTOBER

5-7—Automotive Fleet & Leasing Association Mid-Year Conference, The Ritz-Carlton Buckhead, Atlanta, GA. Information: (213) 376-8788, ext. 77.

14-19—International Association of Chiefs of Police Annual Convention, The Commonwealth Convention Center, Louisville, KY. Information: (703) 243-6500.

16-17—NAFA's 4th Annual West Coast Fleet Management Seminar, Hyatt Regency, San Francisco Airport, San Francisco, CA. Information: (415) 347-1234.

18-22—National Auto Auction Association Annual Convention, Marriott Hotel & Marina, San Diego, CA. Information: (402) 464-2170.

22-23—NVLA Midyear Meeting, The Forum Hotel, Chicago, IL. Information: (213) 838-3170.

24-26—NAFA Professional Fleet Management Seminars, The Hyatt Orlando, Kissimmee, FL. Information: (201) 494-8100.

29-Nov. 1—American Trucking Association Convention, Hilton Hotel, Chicago, IL. Information: (703) 838-1700.

NOVEMBER

16-19—CATRALAs' Western Regional Conference, Newporter Hyatt Resort, Newport Beach, CA. Information: (202) 223-2118.

15-19—International Taxicab Association 71st Annual Convention and Trade Show, Sheraton Harbor Island, San Diego, CA. Information: (301) 946-5700.

DECEMBER

Nov. 30-Dec. 3—Avis Licensee Meeting, Fairmont Hotel, San Francisco, CA. Information: (516) 222-3000.

5-7—Maintenance Management Seminar, Michigan State University, East Lansing, MI. Information: (517) 353-1790.

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GAS PRICES

City	UNLEADED	
	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Birmingham, AL	129.4c	95.9c
Pine Bluff, AR	129.9	89.9
Inglewood, CA	157.9	98.4
Washington, D.C.	143.2	111.1
Fort Myers, FL	132.4	96.9
Atlanta, GA	130.1	90.2
Maui, HI	187.6	146.6
Muncie, IN	135.9	88.9
Springfield, MA	107.9	101.2
Kirksville, MO	105.9	85.4
Las Vegas, NV	123.2	117.9
New York City, NY	125.7	96.9
Charleston, SC	122.9	95.9
Austin, TX	125.4	96.9
Milwaukee, WI	129.6	97.6

Survey conducted during the first five working days of September 1989.
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